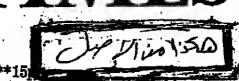
PUBLISHED IN LONDON AND FRANKFURT

Friday May 18 1979





CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DERMARK KJ. 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY 1, 600; NETHERLANDS FI 2.0; NORWAY KJ. 3.5; FORTUGAL Esc 25; SPAIN Pts 50; SWITZERLAND Fr 2.0; EIRE 205

EWS SUMMARY

GENERAL

Report criticises building society

Stricter monitoring of building society affairs and tighter accounting procedures were urged in a report on the Grays Building Society collapse.

It revealed that Mr. Harold Jaggard, Grays secretary and cheirman, who committed suicide last year aged 79, had defrauded the society of £2m over 40 years. With lost interest, the deficiency deficiency amounted to £7.1m.

The 228-page renort, com-nissioned by the Chief missioned Registrar of Friendly Societies. says prospective building society auditors should complete a confidential questionnaire from which the Registry could judge their efficiency and qualifica-

It recommends that the Registry should he able to object when a society appoints an auditor ebout whom it has reservations.

The roles of the Registry, the Grays directors, auditors, and the Building Societies' Associa-tion in the Grays affair were all

Mr. Jaggard, who married three times, used much of the money in gambling - once spending about £2,000 a week on betting. Report details. Page 8

iMF talks founder

Talks between the International Monetary Fund and Turkey were broken off because of the Ankara government's reinctance to make the necessary budgetary adjustments for further PMF • WALL STREET was 641 up. leans and its refusal to modify at 334.89 near the close. its complex foreign exchange

Du Cann triumph

MP for Taunton, was re-elected chairman of the powerful 1922 record \$33 a barrel. Back Page Committee of Tory back henchers, despite challenges from Sir Paul Bryan and Charles Morrison. Parliament, Page 10

Mexican changes

has replaced three leading mem-bers of the Mexican Cabinet in a move which could have profound political and economic repercussions. Page 4

Airport sites

A list of possible sites for a third London airport is expected to be published next week by a study group. They include Stansted and Maplin: Page 8

Immigration falls Immigration to Britain fell by per cent in 1978, compared

with the previous year, says a Government White Paper.

Broken home

A hippopotamus, Hercules, hought by animal lovers from bankrupt Cleethorpes Zoo, smashed his way into his new home et Dudley Zoo. The twoton animal demolished the wooden retaining walls of the £15,000 hippo house.

Briefly . . .

Masked gunmen killed seven people and wounded three in a raid on an Ankara coffee house. Philip Randolph, black union leader and a founder of the U.S. civil rights movement, died in New York, aged 90.

forest. He was arrested.

BUSINESS

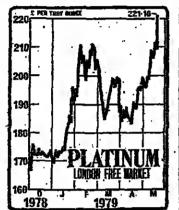
Equities off 5.5; **Platinum** record

No. 27,867

• EQUITIES eased on fears of the money supply figure announcement, and the FT 30share index closed 5.5 off at

GILTS improved after the money supply announcement, and the Government Securities index closed 0.19 up at 73.52.

• PLATINUM values reached an all-time peak on the free market, and the London sterling price rose £2.60 to £212.10. The



dollar quotation was \$435.50. The rise was attributed to speculative buying triggered by the upward trend in the New York market. Page 35

• GOLD eased slightly from its highest levels in London yester-day, but still rose \$\frac{1}{2}\$ te close at a record \$256\frac{2}{2}\$.

• STERLING fell 50 points to close at \$2.0560, and its trade weighted index was unchanged at 66.8. The dollar rose to 86.3 (86.0)_

EEC ENERGY Ministers considered a French proposal to regulate the Rotterdam spot market Edward du Cann, Conservative prices. At the same time, oil on the Rotterdam market bit a

> BER AND WINE tax levels in the UK would have to substantially be ebanged under proposed new rules being drawn up by the European Commission. Page 2

President Jose Lopex Portillo EEC COMMISSION plans to help the textile industry adapt to changed world market conditions appear to have been modified, after talks with representatives from textile sectors on industrial strategy. Page 4

> THIRD WORLD nations at the UNCTAD talks in Manila are trying to curh the rights of some developed countries to withdraw preferential tariffs which bave prevously boosted exports from underdevolped countries. Page 4

> • FIRST OPTIONS of Amsterdam, a leading member of the European Options Exchange, announced that it will cease operations on Jnne 1 because of inadequate business. Back Page

• EGYPT is mounting en counter-offensive against opponents of its treaty with Israel by freezing the assets of its partners in the Arab Organisation of Industrialisation. Back Page

O CIVIL SERVANT members of the Civil and Public Services Association have voted in electoral reforms which will severely limit the influence of Left-wing militants. Page 10

· WHESSOE, the engineering group, reports a fall in first-half profits to £0.98m (£1.13m), and forecasts a drop in the full year's total Page 25

Official death toll in the south • REDMAN HEENAN Intereast India cyclone reached 600. national, the specialised engin-man who lit a honfire near eering group, reports first balf Orense, Spain, to cook e lunch-pre-tax profits up 32 per cent to £1.19m (£902,000) on turnover of £24.28m. Page 25

Inflation pressure may hamper Tory economic aims

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Government faces much tighter economic constraints on its ability to meet both its monetary and tax-cutting objectives than Ministers expected before taking office.

The tone of a Cahinet discussion on economic prospects yesterday appears to have been sombre. Miniaters were given the impression by Sir Geoffrey Howe, the Chancellor, that Britain's economic problems are good deal more serious than

nc had expected.
In particular, there is concern about a fast huild-up of infla-tionary pressures. Ministers agree that the need to control inflation must be the major priority and this has very serious implications for Government policy. But it is not yet clear how far this will affect the Budget decisions.

There is naturally a political attraction in blaming the inheritance from Labour for limiting the Government's freedom of manoeuvre.

Senior Ministers and officials recognise that it will be difficult to reconcile the pledge to cut income tax with a reduction in the rate of monetary growth. This is principally because on present policies public sector horrowing is likely to be between £1.5hn and £2hn before than the maximum level accept-able to the Government.

reinforced the determination of Ministers to ensure strict observance of cash limits on public spending and to obtain significant cuts in programmes as soon as possible.

Monsanto rejects offer

Monsanto, the U.S.-hased chemicals group, has turned down an offer of Government aid to keep open its nylon plant at Dundonald, Ayrshire. Money Supply Table Page 6
Politics Today Page 23
Editorial Comment Page 22
Lex Back Page

The problems of reducing the monetary target were high-lighted yesterday by Bank of Engleod figures showing that the money supply growth rate has accelerated to slightly above the top end of the current official range, This reflects a continued buoyant level of bank lending. Sterling M3, the broadly

This high starting point has defined money supply, grew by 1.5 per cent in the month to mid-April, on a seasonally adjusted basis. This is roughly what the market was expecting following last week's banking

> The result is that sterling MS has risen at an annual rate of 12f per cent in the six months since the beginning of the cur-rent target period last October. This compares with a permitted increase rate of 8 to 12 per cent

In the year to mid-April the money supply rose by roughly 104 per cent, which was almost in the middle of the target range for the period.

These figures are uncomfortable for the authorities but do not indicate any need for urgent action before a review of the overall direction of fiscal and monetary policy is completed ahead of the budget on June 12. There is still uncertainty about the underlying strength of bank borrowing after a £2.38bn rise in sterling lending to the private sector in the last It is unclear how far this

Continued on Back Page

Shell fears 'hand to mouth' oil supplies

BY TIM DICKSON

and still higher oil prices was cushloned by suppliers' ability Group net income included a held out yesterday by Mr. to draw upon existing stocks. large Michael Pocock, chairman of But even with Iranian pro-while Shell Transport and Trading. Figures at the end of March,

the latest available to the group, suggest that world stocks of oil are "as low as they can realistically go," Mr. Shell yesterday also announced its first quarter

results for 1979 which showed a huge jump in net income from nil to £618m. This year's figure was achieved after edding in £67m for favoureble currency movements while first quarter income of £293m last time was entirely wiped out by the negative effects of currency translation. Shell's shares after an initial gain, finished the day 7p lower at 758p.

the London, explained immediate impact of the cut-

the reduced level of four million harrels a day there were still problems. "In some countries there may be summer petrol

Rotterdam Market Page 2 South Africa Crisis Page 3 Sbell Results Page 24 Energy Review Page 30 Spot oil control plan and Lex Back Page

shortages. We are concerned now about the provision of adequate supplies of heating oil for next winter."

Referring to prices, Mr. Pocock said he believed these Mr. Pocock, who was could see significant indications addressing sharaholders at the that measures taken by the concompany's annual meeting in suming countries to reduce demand were working.

THE PROSPECT of "hand to backs brought about by the company's start to 1979 was not mouth" oil supplies this winter Iranian revolution had been as good as the figures suggested. large element of stock profit increases in product prices during the quarter were not sufficient to keep pace with the rise in supply costs.

He stressed the need for timely action to tackle the long-term energy problems, adding that he found it "difficult to envisage a future world adequately supplied with energy in fission-based nuclear power does not play an important part."

Yesterday's meeting was largely taken up with a resolution condemning the company for past participation in supply ing oil to Rhodesia.

Mr. Pocock again "categorically" denied the sanctions could be pushed even higher busting allegations. The result unless the producing countries of a poll called at the end of could see significant indications the meeting will be known today. The company has received more than 44.5m postal proxy votes against the resolution, and Mr. Pocock also said that the just over 800,000 infavour.

Retail sales rise sharply

BY DAVID FREUD

RETAIL SALES rose sharply last month to a near-record level. But it is uncertain whether the recovery will be

sustained. The April upsurge can be attributed both to catching np the industrial disputes and bad winter weather and to further increases in real disposable incomes.

The index for retail sales volume last month was 114; (1971=100, seasonally adjusted), according to the provisional estimate published yesterday by the Department of

Thia was the highest level ever apart from the exceptional trading month of April 1975, when an increase to 25

RETAIL CALES

			Volume Index 1971 = 190, seasonally adjusted)	percentage change compared with year earlier, not adjusted
1	1977	îst	303.3	+14
1		2nd	102.4	+13
		3rd	104.2	+ 15
١		4th	104.7	+13
	7978	lst	106.4	+13
		2nd	107.9	+15
1		3rd	7,10,7	+14
		4th	111.7	+14
	1979	ist	110-3	+12
1		Jan.	109-6	+13
		Feb,	110.4	+12
1		Mar.	110.8	+13
ı		April		+13
1				

per cent in the higher rate of value added tax was announced. The index was 3.3 per cent above the March level of 110.8 and 7.1 per cent higher than in April last year.

The April recovery brings the volume of retail sales in the first four months of the year back to the levels of the buoyant second half of last year in splte of the sluggish first quarter performance. Some bunching of purchases

tributed to the bigh total. Fears, of shortages drove food sales up in January et the expense of the non-food sector, and the recovery there seems to have been delayed until last month. Retail stocks were very high at the end of March and wide-

spread special offers aimed at reducing them are likely to have stimulated sales. Consumers also had more

money to spend. The rapid rise real disposable income over Continued on Back Page

BL to boost jobs with Honda deal

BY ROY HODSON

Houda car.

The car will be sold in Britain and the rest of the EEC from mid-1981 through the BL dealership network if the company's board, the National Enterprise Board, and the Government, give the final approval to the programme this

It will be a 1.5 litre to 2 litre aloon with a Honda engine, earbox, and transmission and

BL-built body pressings. BL will have exclusive salea rights in the European Com-munity and Honda will make the same model in Japan for sale in other parts of the world.

Mr. David Andrews, chairman of BL International, said yesterday the new car would probably he marketed under the Triumph

It will replace the Triumph Dolomite on the Canley production line but is not intended to be a direct successor to the Dolomite as e model. Mr. Edwardes told the BL annual meeting in London that

discussions with Honda had "gone extremely well." Collaboration was not new in the international motor industry. "It just seems new to us because we have been left behind in the pattern of inter-national joint products."

Future

He pointed out that most of U.S. companies already had links with Japaosese companies. If the deal with Honda went ahead, be koped there would be other deals with foreign companies in the future. The body for the BL-Honda

car will be built at BL Components at Liverpool. agreement is ratified. A new press line will be installed at the plant which will enable Liverpool to turn ont pressings for the BL-Honda as well as for e planned medium-sized car for the BL Austin-Morris Divi-

sion. Several hundred jobs are likely to be created at Liverpool. Canley is to have a new priming and painting shop and a general modernisation of the car plant before assembly of the BL-Honda starts.

NEW BL jobs at Liverpool, and security of employment at the Canley plant, Coventry, were promised yesterday by Mr. investment would secure preman, as a result of a licensing agreement to build a new Houda car.

It is unlikely that additional jobs will be created in Coventry, but Mr. Edwardes said the investment would secure premain agreement at the plant.

British components suppliers will be invited to take part-in the component of the control of the

will be invited to take part in the project. Talks are still continuing on specific aspects of

Crucial

A crucial point in the negotiations will be the division between Britain and Japan on the components work. BL is prepared to come to an arrange-ment which will steadily increase the British-made content of the car after the first period of production.

The BL-Honda is planned as a relatively high-priced car in the BL range and will incorpor-ate advanced feehnology. It is expected to follow Honda tradition with an aluminium engine, front-wheal-drive, and the same a to interior fittings and driver aids and instruments which has helped build up Honda's reputa-

tion outside Japan. However, the new with Honda will not solve BL's short-term worries. Edwardes warned shareholders yesterday that the company faced on "uncomfortable" 18 months ahead without any entirely new models to sell.

The BL-Honda and the new Leyland small car which Mr. Edwardes likes to call "the Mighty Mini" are expected to be among the first of a series of new cars from the end of 1980 which the company hopes will transform BL's image in the next decade.

BL members of TASS, the engineering union's technical, administrative and supervisory section, are to meet soon to dis cuss possible threats to their lobs from the Honda agreement. Members include many of BL's 5,000 design staff and other Mr. John Rowan, the TASS national industrial officer, said the designers "could be at

greatest risk from such a deal."

£ in New York

Delfont takes over at EMI

BY NICHOLAS COLCHESTER

troubled music, leisure and elec- divisions suffer from an excestronics groups. He was appointed sive central bureaucracy. yesterday to deal with the Lord Delfont will also engage group's pressing problems while himself in EMI's music busihis designated successor, Mr. ness - the latest cause of the Roger Brooke, 48, who joins on group's poor performance.

June 4 as managing director, Last week the company gets to grips with the company. sbocked the stock market by Sir John, 61fi will remain announcing that problems in managing director, said that the chairman of EMI and will have the record business would prospecial responsibility for the bably leave the group with a tronics division would have to group's interest in Thames Tele- loss in the half year to June he "reviewed." It is cl vision and for Government rela- 1979. Sir John Read said last e sale is not ruled out. tions. Lord Delfont, who has night the music side badly until now been in charge of needed to attract new musical EMI's entertainment and leisure talent. division, said that he will remain Lord I chief executive for up to three because years "until I feel I have accom- man." alished what I bope to do."

LORD DELFONT, 69, bas taken to inject into EMI as "freedom, was its expensive medical over from Sir John Read as the streamlining, and profits." He K-ray scanner business, where chief executive of EMI, the is known to feel that EMI's the development of a new range

Lord Delfont could help bere "be's a great show-

of machines has been e heavy drain on EMI's finances. Lord Delfont will also engage John said last night that with the division's prospects improving EMI was in a mnch stronger position to decide on its future involvement in this busin Mr. Roger Brooke, the new managing director, said that the

> tronics division would have to be "reviewed." It is clear thet Mr. Brooke said that EMI has got "severe short-term problems."

These had become pressing to allow the gradual transfer of control to Mr. Brooke which Sir John had Before this announcement. He summed up whta he hoped the chief problem area at EMI originally envisaged.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise	indicated)
RISES	FALLS
Evene 12nc 13-17. £100+ + \$	Treas: Variable 82£96} - }
A horzon 123 $+$ 11	Blue Circle 328 - 8
Brown and Jackson 700 + 30 Culleus A	Brown (J.) 561 - 14
Daniel Managine 109 L 8	Common Bros 198 - 20
Tidality Radio 94 + 5	Dulton-Forshaw 50 - 31
Toggety (化) 335 + 8	Fisons 290 — 10
Thinky (Renches F A: 92 + 5	Grand Met 156 - 5
77	GUS A 420 - 12
Morris and Blakey. 164† + 12 Myson 85 + 4	Heath (C. E.) 323 - 12
m-r Tontole 107 de 5	HOWOPH I A. J OI O
Walker (C. and W.) 143 + 5	Manchester Liners 230 — 15
Andr Coal 880 + 30	Midiand Dank 410 — 10
Angle Amer. Gold., 2201 + 11	Suniey (B.) 350 - 15
Conoral Mining 550 T 25	Trafalgar House 78 - 4 Turner and Newall 156 - 6
CALL Fields SA Lift T 1	
Idris Hydraulic Tin 95 + 10 Renong Tin 80 + 5	Trigonome Now 48pm - 4
	K17
Rustenburg 158 + 6	†Price at suspension
	_

Herr Helmut Schmist

criticises

By Roger Boyes in Bonn

the two countries.

HERR HELMUT SCHMIDT, the

West Germao Chancellor, yes-terday defeoded Boou's policy

West German televisioo cor-

respondent from East Bertin, This action, followed on Wed-

lation of the 197a Helslnki

agrement. The East Germans

cials. Herr Schmidt argued in his

speech, however, that although the Berlin expulsion

was a serious setback, the treatment of journalists

should not become the central

ssue in East-West relations

and that no retallatory action would be taken against East

German correspondents in

tions between the two conn-

tries had developed positively

over the past year, he said. Some 12,060 people left East

Germany over the past year.

8.000 of them with official

approval. In 1978, almost 20 per cent more East Germans

were allowed to visit the West

because of "urgent family

circumstances" than in 1977. Travel links between Berlin

number of serious border

Democrat Party; in a lengthy

by being ton accommodating

speech, nowever, contained

fundamentally the same criti-

cisms of East Germany and

the same acknowledgement

in relations between Bonn

Tito talks with

By David Satter in Moscow

President

Brozhnev

improving

treatment

jouranlists

EEC plan to harmonise drink taxes

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS A SUBSTANTIAL change in the same level of Value Added

the level of taxes imposed on Tax to beer and wine, and beer and wine in Britain would be required uoder proposed rules being drawn up hy the for the same quantity of beer. European Commission. Smaller Governments would, however, changes would also have to be free to determine the exact made by Belgium and the rates of tax applied. Netherlands.

In addition, countries which currently charge no excise taxes on wine would be asked to undertake to do so in the future, though without committing themselves to a firm timetable.

.At present, such taxes are not charged by Germany and Italy, while Luxembourg imposes them only on imported

The draft proposals would require all countries to apply

Renewed

strike wave

TALKS BETWEEN the Freech

Government and unions over

steel industry jobs resumed

yesterday, against a hackgrouod of renewed industrial action

which coincided with a wide-

spread civil servants' strike:

Stoppages and protests were organised in steel mills, particularly in Lorraine, where unions presented a joint front.

In a separate dispute, schools,

postal services and other Government activities were dis-

rupted by a strike called by the

three main Left-wing unions.
Teachers provided the

strongest support for the 24-

hour protest against pay levels

and delays in negotiations to

rectify them, About 70 per cent

of primary school teachers were

reported to have joined the strike, with a smaller following

n other parts of the education

Just under a quarter of postal

workers were also out, while

hospitals, local government offices and airlines were less

affected. Demonstrations were

staged in Paris and other

M. Jacques Dominati, Secre-

tary of State for the Civil

Service, criticised the unlons

behind the strike and said that salary increases to compensate

for inflation would be agreed on

Discussions on measures to

compensate for lost steel jobs.

other unionists for wider-rang-

ing talks on the Government's steel industry restructuring

Negotiations with the

steel companies, which

in France

By David White in Paris

would limit the excise tax on wine to three times the level The draft proposals are

intended as a compromise solution to a lengthy and politically sensitive dispute over attempts by Brussels to harmonise the basis on which alcoholic beverages are taxed by EEC member states.

The Commission hopes to submit its proposals to the Council of Minuisters next month. But France, current president of the Council, appears unenthusiastic. new Other governments, particularly the UK, would be likely to resist

them in their present form. The Commission already has legal proceedings pending against Britain, which it has accused of discriminating against trade in wine by taxing it at a much higher rate than beer. The difference between the two rates works out on average at 40 per cent.

The European Court of Justice is expected to rule on the being asked to give a much case within the next few weeks. If it decided in favour of the Commission, the UK would be abolished in the EEC. For obliged to eliminate, or at least reduce, the discrepancy by rais- to an indefinite waiver. ing the tax on beer, lowering the tax on wine, or both.

Britaio's acceptance of the new compromise proposals that the current system could nullify the effects of a widely varying regimes is negative ruling by the court. barrier to intra-EEC trade.

But with the legal case still undecided, the UK appears disloclined to the Commission's suggested compromise, which it considers a poor bargaio.

The Government is expected to argue that while it is heing asked to make a radical change taxation immediately, Germany. Italy and Luxembourg are vaguer commitment to do so, only when fiscal frontiers are practical purposes, this amounts

The Commission wants the structure of taxes to be harmonised because it believes that the current system of

U.S.-Spain talks on use of bases

BY ROBERT GRAHAM IN MADRID

MR. HAROLD BROWN, the U.S. Middle East allies. Defence Secretary, left here yesterday after 24 hours of talks oo the future of U.S. bases in Spain. The visit was described as routine, but the U.S. is understood to be coocerned by recent Spanish interpretations of some clauses to existing defence treaties.

In particular, the U.S. took exception to the Spanish authority's refusal to allow a flight of F-16s to land at Torrejon air hase, near Madrid, recently when a provide form. recently, when en route to Saudi Arabia. The Spanish Goveroment was reported to be anxious not to offend some of the more hardline Arab states, in what was regarded here as a poorly timed political gesture by the U.S. Administration.

This iocident, plus indications that Spain wants to try to retain a measure of Independence from the U.S. in defence matters, despite the existence of agreements, has cast doubt on the use the U.S. could make of its

The matter has acquired new importance since the Camp David peace agreements.

The Press bere has speculated

that the U.S. is pushing the Government to recommend Spain's membership of NATO when the U.S. defeoce treaties expire at the end of next year. However, this is denied both by Government and U.S. officials. who point out that Mr. Brown's presence here after the Brussels NATO meeting is coincidental.

Mr. Brown yesterday chaired a meeting of the Hispano-American defence committee. One issue was the impending departure on July 1 of the U.S. Polaris submarine fleet from Rota, near Cadiz. This will cease to be a home base, but the U.S. hopes to con-

tinue to use the facilities there. Mr. Brown also met Sr. Augustin Rodriguez Sahagun, the new Defence Minister, who is taking a keen interest in trying to establish a large

now under discussion with the Pentagon. Lishon: Mr. Brown arrived here

yesterday from Madrid for orief talks with President Antonio Ramalho Eanes, Portuguese chiefs-of-staff, and Dr. Carlos Mota Pinto, the Prime Minister. Although Lt-Col. Jose Loureiro dos Santos, Portugal's Defence Minister, attended the NATO meeting in Brussels earlier this week, the Lisbon talks concentrated more specifically on future Portuguese

military needs.
U.S. military assistance to Portugal bas averaged \$25m a year since 1976, but Portuguese military officials want this suo to be increased over the next few years. Most U.S. aid recently bas gone towards bolstering Portugal's 3.00n-strong NATO brigade. U.S. officials here denied any

connection between Mr. Brown's visit and the negotiations hetween Portugal and the U.S. twa Spanish air bases if it measure of local production for on the use of the Lajes hase in needed to re-supply its principal the £1.2bn. order for 72. F-16s the Azores.

Gonzalez steers a delicate course

BY OUR MADRID CORRESPONDENT

SR. FELIPE GONZALEZ, leader the Spanish Socialist Party (PSOE), yesterday pledged to carry out a policy of responsible oppositioo, following its defeat in the March general election.

Addressing a packed convention hall in Madrid for the opening of the party's 28th Ministry after a six-week interval, are held up by demands from Communist and congress he conceded that the socialists had not done as well as expected in the election.

In a 90-minute address on the state of the party, he managed to steer a delicate path through since last year have been under effective state control, hrought some concessions, particularly on the timing of redundancies ing homage to the party's debt

ideology and tactics had to be realistic—and socialist, Marxism was not an absolute truth, he said, and the PSOE, 100 years

old this year, had its own identity. He skirted all direct mention of the party's relationship with the Communists. Referring to tactics for the new Parliament controlled by the ruling Union de Centro Democratico, he sald the PSOE must be autonomous." This appeared

mentary alliance with the were now

tion in running the newly elected municipalities where the combined Left candidates triumphed. Referriog to the Moncion

Pacts-the package of economic Despite some flare-ups, relaand political measures agreed hy all the main political parties October 1978 Government had not produced the political and economic reforms promised in return for economic measures. an oblique reference to his Sr. Gonzalez said that the rejection of an overt Parlia main problems facing Spain-

nentary alliance with the were now a deteriorating communists. economic situation and the rise He made no mention of the in terrorism and delinquency. recently signed pact with the He offered no new solutions

Switzerland to vote on VAT introduction

BY BRIJ KHINDARIA IN GENEVA

might soon rise to as much as SwFrs 4bn (£1.14bn) if nothing ing acceptance of value added

For the second time in two years the Swiss people are being asked to vote on the introduction of VAT when they go to the polls for a dual refereodum on Sunday. At the same time they will vote on the future of the country'a nuclear programme.

The Government is pressing for VAT because it has seen its budget deficits climb from a mere SwFr 30m (£8.ām) in 1971 to more than SwFr 1.6bn (£457m) in 1976, indicating a deficit up to between SwFr 2hn and SwFr 4hn next year.

Berne has ordered a tight hold on public spending and the 1978 and 1979 figures imply a deficit in real terms at the same level as 1976. The losers bave been hospitals, prisons, low-rent housing, health insurance and

To rationalise its revenues the

SWITZERLAND'S Government, introducing VAT to replace Its

this summer.

Industries. a much more adroit publicity
Sunday's referendum is on campaign this time and expects tax, already used by 10 Euro- a revised Government proposal a yes vote.

pean countries including Britain. which would institute a VAT It has promised to limit the

rate of 7 to 8 per cent from general VAT rate to 7 per cent

Probe into joining IMF BY CHN WICKS IN ZURICH

A SWISS inter-ministerial working party is investigating with any fature membership of Switzerland in the International Monetary Fund (MF) and the World Bank. M. Pierre Aubert, the Foreign Minister, says a report will be presented to the federal council towards the end of this year. It is unlikely to find any technical obstacles to Swiss membership in the two Bretton Woods organisations.

Switzerland, which does not belong to the UN, has hitherto co-operated with the Government has long advocated IMF and the World Bank

which fears its budget deficit existing tax on business turn- 10 per cent rate was rejected and restaurants would pay over which, among other things, by voters in June 1977, but per cent, while necessities such is disliked by the main export the Government has conducted as food and medicines, would a much more adroit publicity

up to 1982 when it might he

without being a member of either. Speaking in Neuchatel, M. Aubert said this week that Switzerland's con-membership of the World Bank, which was often connected with the rejection by the Swiss electorate of participation in the fourth capital raise of the International Development Association," was misunderstood in the ontside world.

In 1976, a referendum proposal to contribute SwFr 200m (£56.9m) as a credit to the IDA, a World Bank affiliate, was rejected in Switzerland, after opposition from both the right and left wing.

An earlier proposal for a raised to 8 per cent, Hotels as food and medicines, would be taxed at 2 per cent.

The proposal compares with a general VAT rate of 8 per cent in Britain which switched to this form of taxation in 1973 after joining the Common Market. The highest VAT rate of 20.6 per cent is levied by Sweden, followed by Norway with 20 per cent.

The Swiss Government has drawn up a complex system of euts in direct taxatien en incomes to compensate for Yokiki-LAVIA's President Josip increases in the total lax burden Bra: 17th (esterlay met Soviet arising from VAT. arising from VAT.

Labour and ronsumer groups Labour and rousemer groups often distructful relations are campaigning hard against between Moscow and Belgrade.

They claim that retailers the relations the Soviet news agency. will use it as a pretent to raise said the talks took place in prices and that taxpeyers will a "triendly, open atmosphere,"

mum of 1 per cent and has towards Snuth-East Asia—over year. The failure to get all the pledged strictly to monitor which the Soviet Union and programme through Parliament, prices starting this summer to Yugoslavia have clastical in the and the recent worsening of

ROTTERDAM SPOT OIL MARKET

Demand defeats supply

BY KEVIN DONE, ENERGY CORRESPONDENT

THE ROTTERDAM spot oil terdam market at about 30m the tomage difference between market has been a growing source of embarrassmeot for western governments and the oil industry ever since the tenweek halting of crude oil exports from Iran guaranteed that oil prices would take off this year in dramatic fashion. The title " Rotterdam Market" is a misnomer, however, because as a result of modern communications a

market is not in any particular place. There is no market where people meet to match bids and offers. An operator in the markel can he based anywhere from Rotterdam to London. New York, Paris. Milan or the Ruhr as long as he has access to a telephone or a telex and feels he has enough knowledge obout the supply and demand of oil products to

want to deal in them.

The name comes from the fact that most of the oil in which "Rotterdam Market" operators deal, is available in the area of Rotterdam and Antwerp, where over the past 25 years the major ioternational oil companies have built up the biggest refinery

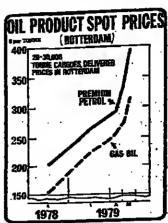
of co-operation with East Germany and said that it had hrought about significant complex in the world. A large part of the oil products consumed in western humenitarian benefits. But, Europe is pumped ashore in the in his annual state of the nation address, he sharply form of crude oil at Europoort Rotterdaoi. The bulk of this oil criticised East Germany for and the resulting refined proits treatment of Western journalists and for allowing ducts, are channelled through the iotegrated systems of oil rade to deteriorate between companies such as British Petroleum, Shell, Esso, Gulf or Texaco. The companies have Herr Schmidt's speech comes at a time when relations betheir owo sources of crude oil tween West and East Germany have been under parneular strain after the expulsion earlier this week of a

and their own refining capacity. Other smaller companies which also refine and market oil for the European market geoerally acquire most of their crude oil under long-term con-tracts. But a small remainder nesday by the expulsion of of the north west European reanother West German TV corquirement for oil products is traded in bulk and it is this respondent from Moscow, was condemned by Boon as a viooperation which constitutes the Rotterdam Market."

It is only a marginal part of. meanwhile have cancelled a scheduled meeting between East and West German offithe total oll trade amounting to perhaps 3-4 per cent of the A general consensus in the oil industry puts the total amount moving through the Rot-

tons a year. The volume of trading activity is much higher, hewever, since many cargoes can change hands several times.

The reason for the market'a existence is the complexity of the oil industry. Even with the most sophisticated modern techniques available, it is rare to find that the output of any one company or of any one country precisely matched the demands of the market place. The resulting mis-match of avail-



able products is further complicated by the long time lags between setting up supply and programmes

actually implementing them. It takes five weeks or more for a tanker to bring crude oil from the Gulf to Europe and in the meantime demand in the market may have altered. Surpluses and deficits of par-

ticular products occur within each company's operations and the Rotterdam market is a way of correcting these mis-matches between supply and demand. The prices at which business

is done are very sensitive to the supply and demand pressures acting on the European oil trade as a whole. Quite minor changes in demand, caused perhaps by lower temperatures, are magnified into an absolute scarcity of product in the market.

Being small in relation to the overall oil market, the spot mar-

tiny. As a marginal market Rotterdam redicts the costs of supplying small additional quantities of the different products and for much of the past decade, when there has been a surplus of refining rapacity and a surplus of crude oil, these and a surplus of crude off, these prices have been depressed. It a refiner had sold his that production at Rotterday market price levels he would scarcely have been able to cover the costs of the raw marketal the crude oil. But the market was a cheap place to go

place to go.
In times of scarcity, however, the picture is transformed Mar ginal supplies are sought after like gold-dust, prices recket ap-wards and oil traders begin takings positions speculating on prices rising even further.

Since the beginning of the year with supplies of marginal. products around the world drying up, prices have reached unprecedented levels. In the last few days they have taken off again as U.S. refiners have entered the market to add competition to the already unmet demands of Japanese and Euro-

yean buyers.

The Organisation of the Petroleum Exporting Countries reacts with self-righteous horror at the kind of prices that may be paid on the market for marginal supplies. The oil companies, traders, speculators, someone, ia huying oil waith they have sold for about \$16.50 a harrel, and is re-selling it at a premium of \$10 a barrel or

The market mechanism is understood by the traders and companies involved in "Rotterdam." But, as Mr. Joe Roeher an independent consultant, pointed out recently in a Petroleum Economist survey: There is a risk that when the (price) reports move out of the trading area into a largely uncomprehending outside world. they can acquire a new and monstrous—and quite unin-tended—existence as the sole arbiter of free market function-

Christian Democrats gain in Italy

BY PAUL BETTS IN ROME

Indicate a modest advance for would still leave the Comthe Christian Democrat, Party
and a small decline for the Comcent in 1976, with more than 30 likely to gain some votes on the
munists in the Italian general, per cent of the vote. ATEST elections on June 3 and 4.

However, there is still coniderable uncertainty about the Socialist Party, which is expec-ted to be a determining factor

In the formation of a Govern-

reply, attacked Herr Schmidt | Radicals are widely expected to for undermining the hasis of gain both lo the north and the towards East Berlin. His claiming.

policed 38.7 per cent in the last elections, are unlikely to pass 40 per cent, while the Comthat progress had been made munists are expected to drop among women, who make up stations.

happy alliance with the regions and Piedmont.

elections three years ago.

OPINION polls by about 2 or 3 points. This slightly more than 50 per cent

er cent of the vote. left of the party, but they do Since the Communists pulled not expect to will substantial out of the Parllamentary votes from the right. No spec-majority earlier this year, they tacular advances are expected appear to have been regaining in the south, but there could he the ground lost since their un some galns from central

ment. Christian Democrats. The Communists are con-Some polis suggest the But, according to the polis, tinuing to insist that Italy is Socialists could gain about 1.5 they are still expected to lose effectively ungovernable with-per cent, but others indicate votes, particularly in the south out their direct presence in the they might make no gains over and some large cities like Turin Government, suggesting that clashes had drooped.

their present 9.6 per cent and, and Naples, which came under the party intends to stay in their Helmut Kohl, the leader of the opposition Christian one point.

their present 9.6 per cent and, and Naples, which came under the party intends to stay in their control after their substantial gains in the regional elections if tial gains in the regional elections is widely of the opposition Christian one point.

The opposition of the smaller parties, the tions of 1975 and the general expected, are not met.

Meanwhile, the Italian elec-Radicals are widely expected to gain both lo the north and the south, although perhaps not by the sper cent the party is what disillusioned with the issue is causing hitter con-The Christian Democrats, who party, and are turning to more troversy between the Governmilitant left-wing groups and ment and the private oil com-the Radleals. Against this, the panies, which are threatening Communists could pick up votes to curtail supplies to filling

Dutch row on economic package

BY CHARLES BATCHELOR IN AMSTERDAM

for tacks which tocused on the public spending. efforts are expected at today's wages in industry. Cabinel meeting to reach a Increases in social security compromise between the benefits and the minimum Christian Democrats and the would also be restricted.

prices and that taxpeyers will a "triendly, open atmosphere," call up paying about SwFr 2bn but did not refer to the intermed.

The Government argues that VAT will raise prices over a three year period by a maximal functional movement, and policy of a period by a maximal functional movement, and policy of the failure to get all the

THE TWO member parties of further measures necessary. Holland's ruling coalition have The four-point plan aims to been unable tu agree on break the direct indexing of measures to slow the rise in social security benefits, the incomes and curb the growth of minimum wage, and public public spending. Further service workers' salaries to

> the benefits and the minimum wage Automatic compensation

> > applying this to salaries above Finally, it proposes curbing the growth of earnings for about

The disagreement between the two parties centres on Liberal opposition to the plan to limit price compensation for the higher wage earners. It would prefer the Government to implement immediately a plan it has drawn up to cut spending programmes and speed the collection of taxes.

The Liberals oppose measures -such as limits on the amount wages for price rises would be of price compensation which made at a reduced rate for would out across wage agrees would cut across wage agreepcople with large salaries. The cabinet now appears to favour Mr. Ruud Lubbers, leader of the Christian Democrats in Fl 50,000 (£11,800) a year. Parliament, said an incomes Finally, it proposes curbing the poticy would be more effective than cuts in spending or the quicker collection of taxes.

France looks at fresh investment in a depressed steel region

dancies.

In the Valley of the Moselle, constant growth and developin north eastern France, they have an intimate knowledge of both extremes. This is steel not extend to the social attitudes country, a region where plenti- of the area. Unlike Longwy, ful water and iron ore have Lorraine's other large steel nonrished metal workers for n centre some 50 kilometres to the thousand years. It is also the north-west, the Moselle has not home of Sacilor-Sollac, one of hrought the shutters down on the fallen giants of the French the rest of the world. This ia steel industry, whose crisis has partly because of its population,

is what is now happening."

THERE ARE two kinds of regions, the Moselle Valley has leashed between France and Industrial investment. The first a very particular character of its more benevolent variety, own. Industrially it has a "We have already formed a "We have already formed a tonnes a year to 6.5m tonnes. Streep! to altreat investment. By far the most important Some 8,500 workers will be Trace aids break down under weapon in this armoury is the tonnes and tonnes a year to 6.5m tonnes. Streep! to altreat investment. By far the most important some 8,500 workers will be Trace aids break down under weapon in this armoury is the tonnes. Streep! to altreat investment. By far the most important some 8,500 workers will be Trace aids break down under the most important and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment. The first a very particular character of its and the street investment and the street invest injects money into a new opera- limited base. For the past 30 tion, seeks out fresh markets, years the townships around and creates a lot of new jobs. Thionville have poured the The second takes an old, decay-larger part of their efforts into ing organisation, modernises it, steelmaking, particularly in the and creates a lot of redun- 1950s and 60s when France's industrial explosion demanded

ment. This insularity, however, does hrought an ahrupt end to the a rich mixture of nationalities at Sacilor-Sollac, started eight ployment rate of up to 10 per rapid growth experienced in the ranging from second generation years ago, has already taken cent in two years time. In an area since the last war.

Italians to first generation jobs away from the Moselle, area which had to build mini-"For years we have been Spaniards attracted by the steel notably to the new steelworks trying to tell the trade unions industry. But it is also due to take advantage of cheaper, that if we followed their geography. The Moselle has take advantage of cheaper, demands for new investment heen fought over since the 30 imported iron ore. New investment it would mean fewer jobs," says years' war, and some of today's ment in the older plants are special industrial. It was the money attached to buildings at a special rate. In the drive to push buildings at a special rate. It was the morey attached to buildings at a special rate. It was the more plants are special industrial. It was the money attached to have to push buildings at a special rate. It was the more plants are special industrial. It was the money attached to have the push to the first to the drive to push buildings at a special rate. It was the more plants are government could adaptation fund (FSAI) which this fund which almost pera Sacilor-Soliac director. "This older generation can remember continuing, and at the same time weapons which the authorities socials investments plus a car plant in Lorraine, about 25 40,000 openings to take up the

united Europe here," says one the next two years. of the local mayors, a disciple of the local mayors, a disciple of the late Robert Schuman, who secretary general of the Come from just across the mittee for the Promotion and carried by a company French industrial policy. It is create about 6,200 jobs in the

The effort is urgently needed. The modernisation programme local digintaries fear an uneur-

BY TERRY DODSWORTH IN PARIS

the relative peace of this corner of Lorraine since the draconian steel redundancy plans were announced in January, and it underlines the drive towards attracting new industry which is getting underway.

The effort is underlines the draconian of Lorraine and the divelopment fund.

3—The effort is underway.

The effort is underlines than content to welcome the motor industry as a sign of the motor industry as a

If the jobs do not come, some townships to house a burgeonsteel-making during the 70-year tug-of-war un- overall capacity from about 9th local administrators in

than six people.

5—A special

sionnelle, a property based tax on business. 6-A scheme to loan and sell

the of special rates of interest.

1-Tile regional development up by the Government last factories. border in Luxembourg. It is Expansion of the Moselle cal- investing FFr 300,000. short term, and specially this sense of unity which is culates that some 10,000 steel- 2—The PFDES, which offers tailored to the needs of the short term, and specially region, will go some way to now coming to the assistance of making jobs will be lost to the loans of various soft rates from areas suffering from obsolescent

no guarantee that more money exoneration will be voted once the FFr 3bn from the so-called taxe profes- is exhausted. But for the time being at least, it means that the authorities can turn on the pressure in the drive to push this fund which almost per-suaded Ford to huild a new "We need between 35,000 and changing nationality four times Sacilor-Sollac is reducing its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have poured into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitting its have pour into the laps of the submitted into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its have pour into the laps of the submitted its ha

By far the most important is pulling Renault, Peugeot and These eids break down under weapon in this armoury is the Citroen into the region with

> solving the Moselle's problems. The local bureaucracy is more

mains to be filled, however. As the anthorities are uncomfortably aware, this is not only a question of the 10,000 or ao steelworkers who will come nn to the labour market in the next buildings at a special rate. new jobs into the crisis regions, two years. Young people are 7—The special industrial It was the money attached to now leaving school with no

and it is now the magnet which coals who will be directing the



drive for new industry. Thus the launching of FSAI, the chosen weapon to counter the destructive effects of the jobshedding investment of the steel iudustry with a more benevolent

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription roles \$385.00 oer sinsum. Socond class pactoge part at New York, N.Y. and at additional mailing centres.



Little mercy on the spot market

international oil crisis following the loss of 10 weeks' Iranian production and the subsequent hardening of Opcc prices bas hit no country harder than South Africa, both in terms of price and physical availability of

South Africa relied on Iran for more than 90 per cent of its oil imports and since December 26 last year has been unable to negotiate terms contracts to replace that source. As a result, the republic is now almost entirely dependent on the spot market where recent deals have been concluded at premiums of up to \$12 a barrel over the ruling Opec average price of

To add to these hardships, the South African government bas been warned by the oil majors of the possibility of dry pumps in certain areas if the crude oil supply situation does not in the next two weeks.

This follows bard on the heels of their recent communication to the Ministry of Economic Affairs that because of world-wide re-scheduling of the international supply chains of their parent companies, resulting in drastic cuthacks on their bistoric allocations, they have been forced, like Sasol (the Government's procurement agency), to a position of almost 100 per cent reliance on spot market acquisitions.

Government officials fear that if acquisition deals at effect: a high petrol price prices approaching \$30 hecome deflates consumer spending

into production, according to a

Proprietary in Australia's major

oilfields in the Bass Strait,

the equivalent of 1.5m barrels

of oil a day, but that by 1990 it

hetween discovery and commer- petrol.

would be 2.5m barrels.

sidiary of Exxon Corp.

Australian energy gap

expected to widen

THE INTENSIFICATION of the commonplace the balance of power; a high diesel price one weekend and cars with payments implications become inflates production costs and daunting. Even allowing for pushes up the consumer price economies and conservation, the index. Either way, growth is minimum requirement to inhibited. facilitate stepped-up economic

activity later this year will be

latest increased price the

foreign exchange requirement would be more than \$2,000m

on an annual basis. In January

established e special fund to

finance premiums on spot market purchases, Called the

equalisation fund it is funded

by a levy equal to about \$14 a

barrel on all oil products

According to Government

a barrel in the cost of offshore

acquisition needs to be balanced

by an increase of 1c a litre in

the equalisation fund levy. The

existing levy may have to be

raised again in the near future.

price may have exerted a soher-

ing infinence on consumers in

the past current economic

priorities dictate that so far as

productive fuels are concerned

price stability should be strived

for at all costs. According to oil company returns, petrol con-

sumption bas been falling away

steadily since imposition of the

last levy of 6 cents a litre on

February 23. Diesel consump-

tion, on the other hand, con-

This bas a perverse economic

tinues to rise.

Officials stress that, while

The only alternative, say officials, is to place physical 250,000 B/D, so that at the curbs on offtake, Speed restrictions, high prices and curtailed pump selling bours have prob-ably made South Africa the



disciplined user petroleum products in the minister of economic affairs to world, but these measures were outlaw all newspaper reporting designed primarily for balance payments purposes during the 1975-1977 recession.

half the country's passenger existing levies which, on an cars are banned from the roads. annual basis will add millions Cars with odd numbers on the

even numbers the next. In South Africa the curbs

would be applied on a daily to all vehicles, thereby forcing commercial fleet truck operators in particular to rationalise usage. Oil companies have warned

that their stock levels are near danger point. In the days the prime source of crude oil was the Gulf states, the inven-tory cushion was about 12 weeks: six weeks of crude in tanks or on the water, plus six weeks of refined product in depots or in the pipelines. Individual companies have warned that their outlets in certain parts of the country will run dry in the next couple of weeks if fresb supplies of crude are not forthcoming.

Two Bills currently moving the gravity with which the Gov-ernment views the situation. The first measure empowers the on the oil situation, including the movement of oil ahipping, with penalties of up to R7,000 Now that physical availability has become the main problem the government is very close to new strategy. The device to which officials are most attracted is one that is Greece at week-ends, where officials are most attracted is one that is fund. It was found that mining currently being applied in companies were importing gas Greece at week-ends, where oil direct, thereby escaping the half the country's passenger existing levies which, on an of rands to their operating

Japan maintains imports despite world shortage

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

AUSTRALIA would be importing more than half its oil needs eight years, the report said, by 1985 and about three. This meant that whatever JAPAN IS not yet feeling the litres (22.43m in April 1978). quarters by 1990 unless new dis- bappened the widening gap coveries are made and brought between local production and domestic consumption could not report by Esso Australia, a sub- be arrested before 1985 to 1988. Dai Hayward writes from Esso is a partner with the Wellington: A 32 cent per Australian group Broken Hill gallon increase in the price of

petrol imposed by Mr. Robert Muldoon, the Prime Minister, Japan managed to import 25m which currently produce close only a few hours before the to 70 per cent of Australia's state opening of Parliament requirements. yesterday added to the anger Esso elaimed that Australia's of thousands of protesters who energy consumption is currently marched on Parliament. Building trade union leaders told the protest rally that they would be seeking an immediate Even if discoveries are made general wage increase to within two years the lead time counter the increased cost of

pioch of world oil shortages for the very simple reason that its crude oil imports bave been running at levels at or slightly Prices however have increased above those of 1978. This is and there is some evidence of despite the interruption in supplies from Iran which was the source of 17 per cent of Japanese oil imports in 1978.

kilolitres of oil in January against 24.4m in January 1978 partly by sharply increasing purchases of oll from Saudia Arabia but also thanks to a modest increase in shipments from Indonesia. In the following three months the figures ran as follows: February 22m kilolitres (just under 23m in 1978) March 26m kilolitres (24m a

Thus there has been no domestic squeeze on supplies of crude oil or oil-related products. speculative stockpiling, for instance, of naptha, by traders. Petrol has been selling at Y90

per litre since March, a rise of Vio per litre since the hegin-ning of the year. Diesel oil and home beating oil prices have also moved up fairly sharply, the latter after a sbarp increase in consumption had forced the Government to lift a price freeze. Petrol pump quenes bave not yet hit Japan.

At the end of March Japan announced a series of mostly voluntary measures designed to year ago) and April 22.17m kilo- cut back energy consumption.

Pol Pot forces

By Richard Nations in Bangkok THE MILITARY fortunes of the Khmer Rouge appear to bave plunged sharply during recent weeks. Analysts here say that the Vietnamese are close to enveloping the best of former Premier Pol Pot's fighting force along the Thai border unless early rains neutralise Hanoi's superior firepower.

The latest sign of Khmer Rouge weakness was the hurrled retreat into Thailand last week of some 8,000 Cambodians under the command of Pol Pot forces.

Most of these are the remains of larger units from former Rouge strongholds in the south central region of Kampong Son Kampong Speo Takeo, and Kampot. They bave been on the run, harassed by the Vietnamese, for nearly three months.

Khmer Rouge platoon commanders were under orders in towards the monntains in the Cardamones—where Pol Pot is thought to have impenetrable and well-supplied strongholds. But they were cut off hy the Vietnamese and forced to fice into Thailand.

Once the Khmer Rouge re grouped in the Thai coastal province of Trat, they were trucked north by the Thai army 100 miles and sent back acros the border, north of Pailin. This new jungle base is not

far from where 50,000 of the Khmer Rouge's shattered northern and western commands have regrouped after a similar escape passing through Thai territory last month to evade a Vienamese assault.

But these new sanctuaries are siready surrounded by the Vietnamese who hold both Pailir to the south and the key terrain along the border to the north. Analysts here say the Vietnamese are simply waiting for fresh supplies and reinforce now being flown in, before closing the trap.

The Thai military is seriously worried about the possibility that the Vietnamese may pursue the Khmer Rouge across the Thai border.

This has added to Thailand's already considerable border problems. Over 12,000 ethnic Chinese refugees have entered Thailand in the past week from Cambodia. Many Thais see this as an organised evacuation encouraged by the Vietnamese to empty Cambodia of what it perceives as Peking's potential Fifth column.

Pressure on U.S. interests threatened by PLO guerrilla plans

BY SHSAN HEJAZI IN BEIRUT

Palestine Organisation has announced its intention to escalate guerrilla activity against Israel and renewed its threat to strike at embassy and the John F. United States interests to try Kennedy cultural centre to scuttle the forthcoming negotiations on the proposed autonomy for the Israeli-occupied West Bank and Gaza.

PLO Chairman Yasir Arafat has said the guerrillas "will bring the temple down on President Carter's bead," if be should try to pash forward a solution against the wishes of

the Palestinian people. Mr. Arafat and other Pales-tinian leaders hold the United States responsible for belging President Anwar Sadat of Egypt conclude a peace treaty with Israel which they regard as having disastrous repercussions on the Palestinian

The first round of talks on autonomy is due to begin May 27 when President Sadat and Israeli Prime Minister Mena-bem Begin will meet at el Arish in Sinai. The talks are expected to be attended by Mr. Cyrus Vance, United States Secretary of State.

The guerrilla threat to hit abroad, especialy against U.S. the officials said.

Liberation American interests in the Mid-interests. The group calls itself innounced its east and Europe is not new. "Black March," after the month ate guerrilla Thus far, unidentified guerrillas in which the Egyptian Israeli bave fired rockets into the U.S. treaty was signed. Beirut. Further targets would bave been attacked if a number of guerrillas sent to West

> by police there. Ten guerrillas were seized in possession of weapons and ex-plosives and were travelling on forged passports.

Germany had not been seized

They were said to have been sent to strike at Israeli American offices and embassies in Western Europe, although the exact locations were not disclosed.

West Germany was chosen because the PLO bad accused German intelligence of complicity in the organs assassination here in January of Mr. Ali Hassan Salameb, the former Chief of Security at the main commando organisation. El-Fateh.

Some officials here hint that an underground group has been formed for the sole purpose of mounting operations

The organisation is supposed to be the successor to the "black September" factions activity a few years ago, includ-

ing the massacre of Israeli athletes in Mnnich in 1972. Mr. Abu Iyad, Mr. Arafat'a second in command, said at a Press conference in Doha, the capital of Qatar, on Monday, that the guerrillas will strike at U.S. interests and personnel but

Arah oil is not a target.
Another leader in the PLO,
Mr. Jamed Abu Sbarar who is information chief was more specific. He said American companies, banks and embassies will he attacked.

The political aim of these actions is, according to sourcea close to the PLO to force Washington to realise that there can be no settlement of the Middle East conflict without the Palestinians and their leader,

the PLO, taking part.
"To put it in a nutshell, the Carter administration must extend recognition to the PLO."

Row over S. Africa Bill to curb press reporting

BY OUR CAPE TOWN CORRESPONDENT

SEVERE RESTRICTIONS on one can publish or cause to be the right of newspapers to publish reports on alleged irregu- alleged misconduct without perlarities in the public service mission of the Advocate-General, and misappropriation of state who may determine conditions funds are contained in a Bill under which publication may presented to Parliament bere take place. Penalties for convesterday.

creation of the post of Advocate- months' imprisonment. General, an official with power to prevent publication of reports bureaucratic misconduct until suspicions and allegations had been investigated and a

report submitted to Parliament. The two main Opposition parties strongly condemned the Bill, describing it as a "Press gag of the most sinister kind." and as a "totalitarian measure which could only bave place in despotic system."

travention of the proposed law The Bill provides for the are a R5,000 fine (£2,890) or 12

The Bill also says that the bolding of inquiries by the Advocate-General will be secret. He can exclude any category of people from proceedings and bearings unless their presence

In addition to the ban on publication of allegations and the provisions for secrecy, the State President can go further and decide more regulations pro-

Nigerians tell BP to unload seized tanker

JOHANNESBURG - Nigerian authorities have ordered British Petroleum to unload the tanker Kulu, seized after it was accused of taking on oil bound for South Africa, the Johanneshurg Star reported yesterday.

Nigeria, a major oil supplier, has banned sales of oil to South Africa Maritime officials in Britain, however, deny that the vessel's cargo was bound for South Africa. They say it was destined for Western Europe.

Nigeria insists that the tanker will not be released until anthorities are convinced it was not breaking the ban on sales of oil to South Africa, and officials bave cancelled the sale of 1.6m barrels of oll to BP, re-Fascist, Communist or viding for the preservation of espotic system."

secrecy and the recording of from the ship.

The measure proposes that no proceedings at an inquiry.



Oscar and the Great Wooferoo: from Type Tees...for children...for the network.



Wilde Alliance: from Yorkshire Television...for grown-ups...for the network.

Wilde

If you draw a line across the Wash, along the Pennines, and south of the Tweed, what have you got?

Ab...sheep, cricket bats, chitterlings-whatever they are...

Correct. What else?

Give up. Give UP? Very well, I'll tell you. Trident Television.

Never heard of it. Never heard of Yorkshire Television? Never heard of Tyne Tees Television? Never heard of Flambards, Emmerdale Farm, The Sandbaggers, Whicker's World, Face the Press, The Paper Lads, What Fettle!?

What what?

As I was saying, Trident Television is Yorkshire and Tyne Tees. The stations that gave you Leonard Rossiter in "Rising Damp," Alan Ayckbourn's "Just Between Ourselves," soccer with Jack Charlton showing his footwork... science with Magnus Pyke waving his arms ... showjumping with Harvey Smith-er-waving.

D'you mind if we have a bit of hush. I want to watch "In Loving Memory". Which side's it on?

ITV...Yorkshire Television...part of Trident. Ever heard of it?

Might as well talk to a brick wall.

Trident Television

serving Independent Television through YORKSHIRE TYNETE



David Buchan reports on the threat to U.S. Africa policy

Rhodesia sanctions in the balance

THE TIDE in Congress is run- got the amendment repealed. ning in favour of a speedy removal of trade sanctions on Rhodesia. That was the explicit message of this week's Senate resolution, hy a surprisingly hias towards the Marxist guerlarge 75 to 19 vote majority, that the economic boycott Front This line has gained back-should be lifted shortly after ing in the new Congress, more the installation of the black Conservative than its premajority Government, led by Bishop Abel Muzorewa, which emerged out of Rhodesia's elections last month.

It is also a sentiment that President Carter—though lifting Administration declined to send sanctions may spell the bank-ruptcy of his Africa policy and could alienate influential hlacks inside and outside his Administration—cannot ignore.

U.S. Congresses have been less than rigid in enforcing sanctions in the past with less cause: under the Byrd amendment, the U.S. bought Rhodesian chrome between 1971 and 1977 when Mr. Carter, in his boneymoon days with Congress,

Brazil state

spending cut

company

Conservative supporters of Mr. Ian Smith, the white Rhodesian leader, have long hammered away in the Senate at what they have seen as the Administration rilla movement, the Patriotic Front. This line has gained back-

But the key event that has swelled the anti-sanctions lobby was the April elections in Rhodesia-to which the Carter observers, fearing that this might connote official endorse-

But private observers, includ-ing Freedom House, a wellrespected civil rights group, whose officials reported that the April poll constituted "a significant advance toward multiracial majority rule," bare on balance endorsed the conduct of the election.

The size of the anti-sanctions

vote in the Senate is also the result of weak leadership by the White House and the top brass of the Democratic Party. President Carter did not pull out all the stops with Congress, as he has done on other foreign policy issues, reckoning that he cannot afford to alienate key senators whose support over a Strategic Arms Limitation treaty with Moscow will be vital.

Feeling in the House of Representatives against sanctions is weaker, partly because the House tends to focus less on foreign affairs. There, supporters and exponents of sanctions are, fairly evenly matchedthough two test votes earlier this year, on aid for the new Salisbury Government and on whether U.S. observers should he dispatched to the April elections, seemed to indicate a narrow majority in favour of

sanctions. But the Senate could easily tip the halance and the Administration might then be

faced with the daunting prospect of being forced to lift saoctions before Britain does. The White House and Stale Department want to make any move in tandem with Britain, the Government legally responsible for any final recognition of Rhodsia. Hence, the importance to the U.S. of the talks that Mr. Cyrus Vance, the Secretary of State, will hold with British

leaders in London next week. On the outcome of these talks will largely hang President Car-ter's decision, promised for next month, on whether to lift sanctions or not. If he does not, Congress seems certain to override him. If he does remove sanctions, he may lose important support from U.S. blacks.

In particular Mr. Andrew Young, his outspoken black Amhassador to the United Nations, who has been so closely identified with the current Carter-Africa policy, may find it impossible to stay on in the Administration.

Lopez Portillo replaces three

BY HUGH O'SHAUGHNESSY

BRAZIL has cut Cr 72.69bn (\$2.95bn) from the hudget of slate run companies and the administration's own capital spending programme in a move to belp reduce inflation and cool nomic strategies. · ·

the overheated economy. The reduction follows a \$2.4hn cut in public spending last month when ceilings were placed on foreign horrowing, food prices frozen and credit restrictions placed on durable consumer goods. The state companies' hudgets

now have a fixed ceiling for 1979 of \$20.3bn. This Is 30.2 per cent higher, nominally, than 1978, but in real terms, with annual inflation over 40 per cent, the 1979 figure represents a reduc-

The most drastic cuts have been made in railway, shipping and road system budgets, with reductions of 45.1 per cent, 29.2 per cent, and 19.2 per cent respectively. The electricity and telecommunications budgets are virtually untouched.

The paring of state company budgets is likely to hurt Brazil's capital goods industry which depends beavily on government

The administration appears, however, intent on avoiding a severe recession. Over 1.6m new to cope with Brazil's 3 per ceot annual population growth. Also, a recession would have serious social effects which would be bard for the administration to handle with its new policy of handle with its new policy of the allowed to take governments with the support and the first the hearings. CAB will to October 15 runs counter to obtain proof of why U.S. air requests by "numerous foreign should continue to enjoy a derogation from U.S. arithmetical to the support to october 15 runs counter to obtain proof of why U.S. air governments with the support to decide whether U.S. airlines should be allowed to take governments with the support to the decide whether U.S. airlines should be allowed to take governments with the support to the decide whether U.S. airlines should be allowed to take governments with the support to the decide whether U.S. airlines should be allowed to take governments with the support to octave the tight calendar of hear greater democracy.

Further cooling of the activities. economy. Is expected through this week's decision to cut the term of bire purchase on private cars from 18 to 12 months.

The move to cut car pur-chases would also belp reduce oil coosumption. Alcohol-run cars are exempted from the new restrictions: buyers of these vehicles will bave 36

Brazil's car manufacturers (Volkswagen, Ford, Fiat, General Motors and Chrysler) have been preparing the introduction of alcohol-run vehicles for some time: the first mass-produced cars of this type are expected on the market in

August.

Engines of federal and local government vehicles are already being converted to alcohol, and alcohol pumps are being in
alcohol pumps are being in
THE Federal Trade Commistrue battle for market share, sion will shortly consider staff and that the purpose of the proposals for the launch of its announcement is to ensure that trues of Pittsburgh and Malco the bandful of companies in a Chemical Company of Oakbrook, narticular industry raise their Illinois. stalled in aervice stations in major cities. The alcohol is distilled from Brazil's abundant

Reuter adds from Sao Paulo: Sr. Mario Henrique Simonsen. Brazil's Planning Minister, said Brazilian state companies will no longer he able to take out new commercial bank loans their intention to raise prices. against any group of companies. price increments the National Monetary Council. It is argued that this is antithe National Monetary Council. competitive since there is little cerned are Ethyl Corporation of increases.

senior Cabinet Ministers

THREE leading Mexican Gahinet Ministers bave been replaced by President Jose Lopez Portillo in a move which could have profound repercussions on the country's political and eco-Sr. Jesus Reyes Heroles, the

Interiar Secretary, Sr. Santiago Roel; the Foreign Relations Secretary, and Sr. Ricardo Garcia Sainz, the Secretary of Programming and the Budget, all submitted their resignations to the President on Wednesday night "for personal reasons, according to a presidential spokesman.

They have been replaced respectively by Sr. Enrique Olivares, former director of Banobras, an official housing development hank, Sr. Jorge-Castaneda, formerly envoy to the UN, and Sr. Miguel de la Madrid, till now Under-Secretary of the Treasury.

The principal surprise is the replacement of Sr. Reyes cised in Heroles, a very experienced alleged politician and the architect of and the latter was not regarded many of the political reforms as a very forceful figure.



Sr. Lapez Portillo introduced by the President. His replacement is a politician

of traditional views, Sr. Olivares was President of the Senate during the presidency of Sr. Luis The replacement of Sr. Roel

and Sr. Garcia Sainz do not come as a great surprise, in that the former had been criticised in the Mexican press for alleged "unprofessionalism"

Sr. Roel's replacement, Sr. Castaneda, had been concerned with the question of Mexico's fishing policy which will figure high on the agenda as President Lopez Portillo starts on his second day of talks with Dr. Fidel Castro, the Cuban Presi-dent, on the Mexican resort island of Cozumel today.

Sr. de la Madrid is seen as friend of business and as such bas been criticised by the Mexican left-wing.
The Mexicans have stationed

seven navy units and 600 troops on and around the Caribbean island of Cozumel for the visit of the Cuban president, which will last until tomorrow. U.S. Coast Guard cutter is also on hand.

Unlike the Cuban leader's only other visit to Latin America as head of government, to Chile in 1971 during the government of President Salvador Allende, his journey to Cozumel will allow him no contact with crowds and so allow 7.9 per cent. contact with crowds and so allow little chance to deliver a per-sonal message directly to

IATA concern at U.S. timetable

BY BRIJ KHINDARIA IN GENEVA

part in IATA's fare-fixing

IATA's executive committee said yesterday that it welcomed IATA's trade co-ordination the CAB's decision earlier this activities. These include gorund to go ahead with a two-tier and clearing-house functions system which has separated its trade co-ordination and pricesetting activities.

But it added that insufficient time has been allowed to prove the effectiveness of the "new flexible procedures which would

THE INTERNATIONAL Air lead to liberalisation and open-transport Association (IATA) ness in the public interest. 15 deadline for an end to CAB has voiced concern at the hrief The tight calendar of hear-hearings.

of the U.S. State Department." laws, which ban price-fixing by Under the new procedures, cartels in violation of free com-airlines are free to join only petition. A tricky legal question IATA's trade co-ordination yet unanswered is whether the domestic U.S. legislation can be week temporarily to allow IATA and air services, ticket-handling extended to international flights.

and clearing-house functions Pan American has already which make up nearly 80 per quit IATA because of the cent of IATA's activities.

The administrative process by CAB's reservations. Other needed to implement the two- airlines have made it clear that tier structure is expected to they too might have to leave, take four months, so the struc-ture will not even have begun disbanding the association as a price-fixing body, if CAB rules

Plan for additives anti-trust case

BY JOHN WYLES IN NEW YORK

trust case against four manufacturers of anti-knock additives

for petrol. Both the FTC and the Departpractice of companies in highly concentrated industries of announcing through the press

particular industry raise their Illinois.

rices in unison.

Two years ago the Govern
Ethyl and Du Pont share
about 70 per cent of the market Both the FTC and the Department made no secret of its for the lead based anti-mock ment of Justice have been consuspicions that price signalling additives, but the FTC staff is cerned for some time about the was prevalent in the steel inpractice of companies in highly dustry but the staff recommentated industries of dation on additives is the first an order barring the companies. known proposal for action from giving advance notice of against any group of companies. price increases and from sotifying the press about the

Tony Cozier reports on St. Vincent's struggle to recover after the Soufriere eruption

In the shadow of a volcano

THE SOLIFRIERE volcano on halls.
St. Vincent, which rumbled into remained. activity on Good Friday, has Managing nearly 20 per cent now been relatively quiet for of the population who have three weeks. Since the last of suddenly found themselves 20 eruptions on April 25, without homes and without scientists monitoring Soufriere's their usual means of support unpredictable hehaviour are bas placed an enormous burden. said to be guardedly optimistic on a Government which had that the worst is over.

St. Vincent, one of the several it is now spending over £15,000 former British colonies in the Windward and Leeward islands, Although there was no loss of has already provided almost life this time, unlike the blast \$100,000 in relief supplies. The in 1902 which killed an Canadians and Americans have estimated 2,000 people, it has also rushed in food, clothing completely disrupted the social and medical necessities. and economic life of St. Barbados has agreed to Vincent's 110,000 inhabitants. purchase £100,000 in St. Vincent

The volcano's mile-wide, 4,000-ft crater, is at the northern flow position. end of the 130 sq mile island. emergency centres — schools, dust, as deep as 3 ft in some public huildings and church places.

There they have

hudgeted for a total expenditure Even if that is the case, of about £6.5m for the current however, the Government of financial year. It estimates that and underdeveloped dally to keep the centres going.

There has been an immediate response from Britain. Canade, will be grappling with the after- the U.S. and several neighboureffects for some time yet, ing Caribbean states. Britain Canadians and Americans have treasury honds to ease the cash-

But such assistance, welcome By Easter Monday the Govern- as it is, harely scratches the ment had evacuated almost surface. Most of those dislocated 20,000 residents of seven towns were small subsistence farmers. and villages in danger areas Their homes and land are now and resited them at 65 covered by choking volcanic



The hardest blow has been to the vital banana industry, St. Vincent's principal export crop and largest single Premier, Mr. Milton Cato, and employer. Plantations in the his Government will have to be immediate vicinity of Soufriere altered. Independence will were devastated but in other surely be a contradiction for an were devastated but in other parts of the island the fallout of ash and dust searched the skin of the fruit,

In common with the other Windward Islands, St. Vincent sells almost its total production to Geest Industries of Spalding in Lincolnsbire. It was anticipated that exports would be worth over fam this year; but weekly shipments have dropped from an average 600 toppes to under 300 tonnes since the eruptions, with losses minning at £40,000 each time. Before the eruption prespects

for the banana industry were hright, with an improvement project financed to the tune of £5m by Britain beginning to take effect, and a world market price expected to rise to \$400 a

The disaster will also have political effects. Along with others in the Windward and Leaward groups, St. Vincent had indicated it would press for full independence from Britain within a year: ...

Now the plans of the Premier, Mr. Milton Cato, and dent on all the outside help it aims to protect gains

through UNCTAD

Third World

the United Nations Coafer-ence on Trade and Development (UNCTAD) in Manila are trying to place curbs on the so-far unfettered right of some developed countries to withdraw preferential tariffs which, in the past, have served to boost exports from the underdeveloped world.

THIRD WORLD nations at

They are also seeking to obtain an end to certain kinds of quantitative limits on imports imposed by those coun-

The bid at the UNCTAD conference follows important gains made hy the Third World nations in the recent Tokyo Round trade talks in Geneva. It was there that they obtained recognition that what are known as Generalised Schemes of Preference (GSP) become a permanent feature of the world's trading system.
These are, basically, hene-

fits to developing country ex-ports operated mainly by the U.S., the Common Market. and Japan. They have, however, suf-

fered as a result of quantita-tive and other restrictions applied by these industrialised

nations.

While recognition of the GSP system by the Third World was gained, the Tokyo Round, conversely, also saw a further whittling down of the advantages of these schemes with a reduction of the margins of preferences enjoyed by them compared with the average tariff levels operated by the ricber nations.

An UNCTAD secretariat study estimates that the pre-

study estimates that the pre-ference margins offered by the U.S., Japan and the Com-munity have been almost balved because the gap be-tween the prefernital tariff and the general most favoured nation tariff applied to conptries ontside the GSP will fall to 3.9 per cent from about

Although 25 developed countries, including the Soviet Union and five East European states, offer preferential schemes to developing countries, almost 90 per cent of such trade is with the U.S., the Community and

Only about one-third of the imports from developing countries by members of the Organisation for Economic Co-operation and Development (OECD) are covered by the GSPs. Of this proportion, only

about 40 per cent actually received preferential treat-ment in 1976, the most recent available, without being subjected to some restriction in Preferences are in the form

of significant tariff reductions, or zero, tariffs, on a wide range of manafactured products and a smaller spectrum of agricultural goods. Sensitive imports such as textiles, leather goods and certain forest products are not included
In 1976, the OECD
countries imported about

\$158bn worth of goods from developing countries but only about \$10.5hn actually got privileged treatment under GSP. Of this figure, the Community imported \$4.4bn worth, the U.S. \$3.2bn,

According to 1975 figures, the Soviet Union and Hungary imported \$1.7hn worth of goods under GSP from deve-loping countries. This is among the main reasons wby developing countries are now criticising the socialist camp for dragging its feet in belping the Third World,
The UNCTAD report says
tbat while GSPs have been

useful, it will not fulfill the original aims of premoting Third World exports and economic development with-out substantial improvement. According to the developing

nations, the worst practices osed by the West to circumscribe the advantage of GSPs to the Third World are unilateral withdrawal, without explanation, of privileges, setting of complicated import quotas and use of rules of origin procedures to block imports on the grounds that they did not originate in a country elegible for prefer-The industrialised countries

in turn have claimed that the Third World often lacked the technical expertise and marketing know-how needed to fully exploit the opportunities offered.

Renter adds from Manila: Regional differences among Third world countries are stalling negotiations here between developing and developed nations on ways to spread the world's wealth more equitably.

A Latin American attempt to get UNCTAD to discuss the impact of rising oil prices on their economies ran into difficulties with Hiddle East At the same time, an Afro-

Asian attempt to draw np a common line on how lo improve trade access to Communist countries ran into problems with the Latin Americans.

Commission modifies plans to restructure industry

EEC COMMISSION plans to interveoe actively in the textile industry to help it adapt to changed world market conditions appear to have heen modified following 12 months of discussions with representatives from textile sectors on indus-Trial strategy.

The Commission is now look-

ing instead at specific areas where it can help the industry, starting with financial assistance for a greatly improved statistical service. It has evi-dently decided against trying to work out any grand design for the sector. A set of guidelines, outlining

some of the problems facing the sector, was published by the Commission last year in response to a statement from the Council of Ministers calling the Council of Ministers canning for European solutions to he devised for structural difficulties facing three key industries— iron and steel, textiles, and shipbuilding. The Commission appears to have decided, bowever, that the complexity of textiles, with its wide variation in company size and large number. company size and large number. of different processes, make it an unsuitable candidate for an overall approach.

The industry itself, in a series of bearings beld to discuss the guidelines, has also argued that individual companies should be eft to take their own commercial decisions on future policy. The German industry, in particular, is understood to have been wary of Commission inter-

The creation of hetter informatloo machinery—one of the proposals pul forward by the ndustry—was agreed at a meet- textiles in the various countries,

ing between the Commission and . nr Brussels last week. The aim is co-ordination in fields such as to provide manufacturers with research or export prometties access to figures on output, stocks and demand. Inside the Community, and on relevant developments outside the EEC, enabling them to plan shead more effectively on a pan-European basis. At present the available information is mostly

The annual Ready to Wear Festival in Hong Kong, reputed in he the higgest fashion showease in South East Asia, has been postponed until 1981 because of the nonuntil 1981 because of the non-availability of a suitable venue, its nrganiser, the Hong Koug Trade Develop-ment Council, has announced. Instead a large-scale fashion presentation is planned for the IGEDO Fashinn Fair in Dusseldorf, W. Gormann Part seldorf, W. Germany next April

on a national basis and often not directly comparable from

ountry to country.

The estimated cost of providing the service, to be administered by Comitextil, is 1m units of account a year (£660,000. The Commission is believed to be proposing to pay three quarters of the cost in 1980, one half m 1981 and one-quarter in 1982. The Commission has also agreed to bold regular monthly meetings with the industry to review problems and prospects and to draw up other possible areas where it may be able to

help. These could include moves to harmonise state aids to

Comitextil, the representative developed in one country and body for European textiles in applicable elsewhere as well as:

The industry's case dispute nut-the discussions on industry strategy has been that the Con mission should largely resist itself to creating a favourable environment for textile and clothing manufacture in Europe.
And this would now seem to
have won implicit acceptance.

Great stress has been placed on the need for continued import restraint arrangements after 1982 when the current (AFT) Multi Fibre Arrendement (MFA) runs out on the grounds that this in itself would wante conditions in which manufacturers would be willing in adapt and invest. This assuran has in fact recently been given by M. Etienne Davignon, the European Commissioner for Industry, and was reported to Comitextil's annual meeting

in previous statements, inchiding the guideline document. the Commission had been indicating that the necessary structural changes might have to be accomplished by European producers before 1982 — during the life of the present agree-ment—with the lifting after that date of existing restraints. The document also foreshadowed an active Commission role in bringing about these changes. This role now looks like being less significant, with the industry itself expected to initiate the measures needed to ensure its healthy survival as one of Europe's biggest manufacturing sectors.

India's trade position worsens

BY K. K. SHARMA IN NEW DELHI

doubled in the 1978-79 financial year to Rs 10.62hm (\$1.3bn) from Rs 5.81bn (\$726m) in the previous year. The trade gap would have been larger still but for a surge in exports in the final January to March quarter. Exports rose by S.5 per cent in the year under review to

Rs 55.4hn (\$7bn) while Imports increased by as much as 13.2 per cent to Rs 66hn (\$8.2hn). International factors affecting India's exports include the viding incentives for new markets and incompetitiveness by eprotectionist measures taken by internal price stability.

them, the fall in commodity prices like tea and coffee and fluctuations in foreign exchange markets. Adverse developments in the Indian economy included increased bottlenecks in the

supply of raw materials, growth of internal demand and strikes in Calcutta and Bombay ports. The Government has now initiated various measures to strengthen export production such as the encouragement of export-oriented industries, providing incentives for finding country's liberal import policy new markets and increasing initiated last year. Even so the competitiveness by ensuring liberal imports policy is to

Task forces have been formed to look into the problems of "dynamic" exports like leather products, gems and jewellery, handicrafts, electronics, project exports, export services like consultancy and exports from small-cools industries. A new thrust scale industries. A new thrust has also been given to agro-exports following four succes-sive humper harvests. sive humper harvests.

The rise in imports is partly due to higher prices for items like crude oil and fertilisers hut is also the result of the

Polish deficit reaches \$311m

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S HARD currency foreign trade deficit was \$311m in the first quarter of this year. according to figures just pub-lished by the Central Statistical Office here. This is balf the planned trade

deficit for the year which according to Polish figures released to Western banks last January sbould amount to some \$600m. According to the same figures, Poland's overall current account deficit in 1979 was expected to

run to \$1.4hn, and repayment and servicing Poland's \$15bn debt will cost \$4.1bn this year. The trade figures are

explained in part by snow and freezing temperatures in the first two months of the year which led to unplanned energy cuts, transport blockages and consequent production short-

The figures for world trade which include Comecon trade are more encouraging as they give Poland a \$386m surplus. This is almost wholly due to a 33 per cent rise in Polish exports to the Soviet Union in the first quarter compared to

the same period last year.

The Bank of China may draw

from Japan. At the end of the six months it can either repay it

exports or draw down from the

month.

The loan will be a tied loan in

February last year and applied

loan to pay for it.

and 18 per cent of the annual import plan was fulfilled in the first quarter. ..

Fuel and energy made up 67.4 per cent of Poland'a Come con imports in the first quarter and this compares with a 61.6 per cent share in the same period last year. The shift presumably reflects rising prices for these materials. Polish coal exports, a major

hard currency earner, were also hit hy transport problems. Coal exports at 6.2m tonnes in the According to the Polish trade first quarter were 36.3 per cent paper Rynki Zagraniczne, 20 per down on the same period last cent of the year's export plan year.

> MEA to spend £500m on new

aircraft fleet

By Michael Donne, Aerospace Correspondent

Royce RB-211 engines.

does at present.

MIDDLE EAST AIRLINES, the flag airline of the Lebanon, is now considering the purchase of a fleet of up to 19 new jets, worth about £500m, with Rolls-Rouse PR-911 angines.

The choice may fall either on

the Lockheed TriStar three-engined airliner, which already

uses the RB-211, or on the Boeing 767 or European Airbus

A-310, in which case the airline would insist on the aircraft using the RB-211, which neither

Mr. Asad Nasr, chairman of

MEA, said in London yesterday that he and his Board hoped to

get final quotations from the

various manufacturers during

the forthcoming Paria Air Show

in June, and to make a final decision later this summer,

signing contracts in September.

would considerably influence

other airlines in the Middle East. Mr. Nasr believed that up

to £5-7.5bn of aircraft could be

sold in the area over the next

20 years, depending on which

MEA itself would eventually need a fleet of perhaps 40 air-

Whichever choice it made

China and Japan to sign \$2bn commercial loan

falls.

BY OUR TOKYO CORRESPONDENT

CHINA is expected to sign a second loan agreement today from the six-month refinance with a consortium of private facility when it pays for imports Japanese banks. This will be from Japan. At the end of the a \$2bn (£985m) syndicated loan six months it can either repay it carrying an interest rate of 0.5 with proceeds from Chinese per cent over LIBOR. The agreement includes a \$60n refinance facility.

Soon refinance facility.

Final contracts will be negoused up when the cumulative total of its uses reaches \$60n. months, and the main points to The tempo of its use may be be settled include problems restricted by the limitation of related to repayment guarantees and dispute arbitration. It is understood that the

agreement on basic conditions that it will be used only for will provide for an availability Japanese exports to China period ending June, 1983, during which the Bank of China trade agreement concluded in can draw a maximum \$300m a month for periods of 4½ years to transactions after export until the cumulative total draw-shipments from Japan have

Volvo offers truck plant

GOTHENBURG - Volvo is negotiating a deal with China a visit to Volvo by a Chinese worth several hillion crowns delegation led by Vice-Premier relating to a heavy lruck plant capable of asembling 50,000 units per year, according to Mr. contract are in the U.S. and Bertil Bengtsson, head of France. Volvo has supplied a Volvo's international marketing large amount of completed

Primarily, Volvo Is ready to offer technical expertise and the delivery of some components such as engines and gear hoxes, he said in an interview with the Swedish domestic news agency TT.

Mr. Bengtsson said the (£20m) in South Africa to Chinese want a plant capable finance the construction of a of building trucks of 16 tons new engine manufacturing plant and above with production at its existing factory near Port capacity rising to 50,000 per Elizabeth, Bernard Simon writes year after 10 years.

He gave the interview during Geng Biao. The main competitors for the

trucks to China in the past, he The news agency quoted him as saying Volvo's own truck out-

put this year could reach around 30,000 after about 24,000 in 1978. Reuter ■ Volkswagen is to invest R35m

from Johannesburg.

Canadian satellites SPAR Aerospace of Toronto has been awarded a \$C76.6m contract to huild Telesat Canada's next generation of communica-

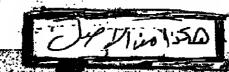
Ottawa.

way MEA moved.

It is the first time that Telesat, which operates Canada's communications satellites, has awarded a prime contract for spacecraft to a Canadian con-

victor Mackie writes from

rsens



WEVERONERON 3TO 53 PEOPLE SINCE 1975.

ROOM TO EXPANDISHT A PROBLEM HERE? RONCRAGG, MANAGING DIRECTOR, PERICOM DATA SYSTEMS.



Token ship repairing

for Falmouth docks

BRITISH SHIPBUILDERS is to not specify last night exactly

maintain a token ship-repairing how many men would be represence at Falmonth docks, but tained, but it is likely to be fewer

is to press ahead with another than 200, most of whom will

be required for port work and

enable the yard's 120 appren-

tices to complete their training.

does not give any indication of thinking by the Government

about the problem-stricken shipbuilding industry as the

closure had already been sanctioned by Ministers of the

Industry Ministers are, how-

ever, faced with some urgent

decisions about shipbuilding.

previous Government

The decision on Falmouth

but 650 lose jobs

BY SUE CAMERON, CHEMICALS CORRESPONDENT

jobs at its petrochemicals divi-

ICI's petrochemicals division, energy efficiencies. In this, told a conference of monthly- clearly, the main, but not the paid staff that job numbers will bave to be reduced by about 4 per cent a year. This means doubling the present annual rethrough wastage.

The group's petrochemicals division employs 10,800 people, of whom 4,000 are monthly-paid staff. Much of the workforce is at ICI's huge chemicals complex at Wilton on Teesside, although some are based at nearby Bil-

would be made to achieve the the past six months. cuts through wastage so as to protect jobs. But be warned that people at all levels in the Dramatic rise division would be affected, including the Board. He added that his own intention was to cut numbers on the divisional Board last June to a peak of around man of the group's plastics diviby at least the same proportion £150 a tonne at thet beginning since the petrochemical field of March.

In the rest of the petrochemical field most heavily since the planned reduction in job planned reduction in job planned reduction.

see if the division needs to fill not return to their 1978 levels. it. If it does, tha division has to ask itself: Are there jobs elsewhere which are disappearing compared with only £250m last or could go unfilled?"

The division was being forced to cut jobs because of the division's trading profit was declining growth rate of the £38m—£6m down on the prepetrochemicals industry as a vious year. Yet the division's whole. Dr. Telfer said that sales during the period were during the 1960's tha industry up from £768m in 1977 to grew at between 15 per cent to 20 per cent a year.

The brunt of the cutback in

THE DEPARTMENT of Trade

its prices again until September

reports will still be published

the winding-up period for tha

a range of products, it granted

pany should not be allowed to

The commission says it bad

"serious reservations about the

company's discount structure for branded biscuits." One

as a powerful inducement for

percentage volume growth over able."

take no action over a

Department's move

scrap the Price Commission, plans Although the commission's changes.

IMPERIAL CHEMICAL Indus- figure was "clouded" by the un- cent a year-higher tries is planning to cut 1,200 certain position on energy.

jobs at its petrochemicals divi
Dr. Telfer said: "We envisage sion on Tegsside over the next a determined drive to cut down our variable costs; mainly from Dr. Rab Telfer, chairman of improved raw material and

only responsibility, will rest with the production department. "But equally, with the mas- future. sive rise of fixed costs, we must in the workforce always ensure that our organis-

ation and number of staff is consistent with the world in which wa see ourselves operating. No one owes us a living, so we must strive and prosper by our own efforts." ICI's petrochemicals division, like other chemical companies, lingham. has been bit by the dramatic Dr. Telfer said every effort rise in raw material prices over

Tha spot price of naphtha basic petrochemical feedstock has risen from £70 a tonne

cals sector.

Ha said: "Every vacancy will indergo the closest scrutiny to its now about £125 a tonne, but its now about £125 The group expects to pay £350m for naphtha in the UK this year

> In 1978, the petrochemicals £38m—£6m down on the pre-

20 per cent a year.

Growth rates then fell to between 6 per cent and 8 per cent annually but were now

The brunt of the cutback in jobs is expected to fall on the division's monthly-paid staff even though the reduction between 4 per cent and 5 per through wastage among them is cent a year. And even this currently running at 10 per

The commission says that

United Biscuits told the com-

mission, according to the report, "that it considers its present

plans to make significant

which. United Biscuits bas now

pany's disconnt practices were "reported to be used widely in

manufacturers' discounts to

retailers and suggested, there-

fore, "that it would be prema-

ture to make judgments on these practices until the con-

United Biscuits (UK) Ltd.—

larger customers to concentrate biscuits, crisps, nuts, and able for a company of its size business on United Biscuits' savoury snacks. Price Commis- and that a financial reconstruc-

Money supply rises by £740m,

sion. HC 347, SO £1.

But the commission says: "In

"this disincentive to retailers

United Biscuits free

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

lished yesterday which recom-mends that United Biscuits barrier to competition and new should not be allowed to raise entrants."

follows the Government's discount practices to he fair and decision earlier this week to reasonable and that it bas no

it now seems likely that during view of the market position

commission, the Department attained in branded biscuits, it will take little further action would be right for this practice

Although the commission Mrs. Sally Oppenheim, decided last January to investi- Minister for Consumer Affairs, gate the 4 per cent price rises said yesterday that the com-

the company an interim price the hiscuits and food industries,

rise of the full amount sought and I therefore take the view during the investigation. that any restriction applying

However, the commission's to United Biscoits only would recommendation that the combe discriminatory."

pany should not be allowed to Sbe pointed out that the increase prices again until later Monopolles and Mergers Com-

this year was hased on criticism mission was currently investi-of United Biscuits' discount gating the whole issue of

element of this was the use of clusions of the Monopolies and

target discounts," based on Mergers Commission are avail-

percentage volume growth over sales in the previous year.

The effect of these target discounts, in combination with the standard discounts offered to retailers, bas been "to act ducts was "totally unjustifiable."

Commission report pub- to spread their purchases be-

to raise prices

among other employees.

Dr. Telfer said the division continue to take on would school leavers and graduates because it bad to play its part in providing job opportunities for young people and it had to avoid serious gaps in the age structure of its management in

Meanwhile the group's plastics division, which is planning to cut 750 jobs from its 10,000 workforce over the next three or four years, has announced several savings It is planning to make. These include: Selling a small site at its

of heart by the state corporation, which until this week has argued that all ship repairing Welwyn Garden City headquarmust end at Falmouth and the Cutting entertainment and yard be put on a care and maintravel budgets in all departtenance basis.

ments in the division. ments in the division.

Bringing the sales teams responsible for low-density polyethylene, acrylic polymers and nylon back from Everberg in Brussels to Welwyn. Mr. Charles Vowles, chair

sion, has command that the planned reduction in job numbers will fell most heavily on monthly-paid staff. While numbers are to be run down by an overall 2 per cent in plastics division, the number of monthly staff is to be cut by 3 per cent to 4 per cent a year. And Mr. Vowles bas warned employees that unless nombers are reduced at these rates, further cuts would be forced on the division by

factors outside its control. This year ICI has announced that it will be cutting job numbers in its oreanics division by nearly 2:000 over the next two years while the work-force in its fibres division is

Meriden

workforce

WORKER-DIRECTORS of Meri-

den motor-cycle co-operative are

expected to call today for at least 150 redundancies among

Production is to be cut from

300 to 200 motor-cycles a week

Mr. Geoffrey Robinson, the co-operative's managing director and Labour MP for Coventry

North-West, confirmed last

everything was lost," Mr. Robinson said.

He maintained that Meriden

sales this year were 10 per cent

higher than last year, but pro-

fections had been hit by the

bad winter. Sales for 750 cc

months by 39 per cent in the

UK and 30 per cent in the U.S.

back at least 500 motor-cycles from the U.S. to add to the

stockpile at Meriden

tion was essential.

The co-operative has brought

Mr. Robinson insisted that

the interest burden carried by

the co-operative was unreason

the 700-strong workforce.

faces 150

lay-offs

In return for this concession, union leaders agreed to recommend that the men adopt full Redundancy Payment Act are flexibility and interchangeability between jobs and the different to be renewed. sites at the repair yard. The arrangement is also subject to British Shipbuilders is also keen to bave an early response a financial and operational to its corporate plan, which proposed a 12,500 reduction in review after three months. British-Shipbuilders would the industry's workforce.

Brentnall Beard probe completed

650 redundancies there.

The formula presented to the

men yesterday has been agreed

by British Shiphuilders and the

national leadership of the Con-

federation of Shipbuilding and

it represents a slight change

convene today.

Engineering Unions.

underwriting syndicate, formerly headed by Mr. Frederick Sasse, facing £13.6m

Payne. Other members in-cluded Mr. A. Henry Chester, an underwriter, Mr. Peter Foden-Pattinson of J. H. Minet Agencles, and Mr. Alec Higgins of insurance brokers Woods and

The team has axamined £2.2m.

LOYD'S OF London has com- Brentnall Beard's solvency, pleted an extansive investigation stated how Brenthall placed into the affairs of one of its Canadian fire insurance business with the Sasse syndicate which led to £2.6m losses, and prenthall Beard played a looked at the group's role in the prominent role in the events which have led to a Lloyd's with the syndicate which load and underwriting a Lloyd's with the syndicate which led to syndicate, a loss of £8m.

Lloyd's said yesterday that "relevant aspects" of the ioquiry's findings had been communicated to Brentnall Beard and Mr. Sasse and his fellow was taken last July by the 16strong ruling Lloyd's committee. managing company of the The inquiry team was headed syndicate. They have been by Mr. Brian Brennan of invited to reply.

the inquiry's report at a special meeting when their comments bave been received," said Lloyd's.

Brentnall Beard is quoted on the London stock exchange and has a stock market value; of

British experts to probe U.S. reactor accident

BY DAVID FISHLOCK, SCIENCE EDITOR THIRTEEN BRITISH experts accompanying the team as a

He insisted the company was still viable and expressed con-fidence that the new Conserv-Oppenheim, ative Government would agree Washington this weekend to supply industries. to the co-operative's request to investigate the accident in waive interest charges of more | April to a pressurised water than film dne at the end of "I think the Government will Matthews, director of health be sensible. If the money is and safety at the Central not there we cannot pay it. To Electricity Generating Board. close us would simply mean that who bas his own nuclear

inspectors guarding British nuclear plants. Two members of the Nuclear Installations Inspectorate, the from the UK Atomic Energy motor-cycles—the sector in which Meriden operates—had heen down over the past eight

Mr. John Lyons, general

Tha experts expect to have detailed discussions in Washingreactor on Three Mile Island. ton and at the scene of the acci-They will include Mr. Roy dent about what now is known of the cause and how it might affect government - approved plans to introduce the pressurised water reactor into Britain. Some conclusions reached sbortly after the accident—for example, about the public

Government's own nuclear danger presented by the bydroinspectors, with representatives gen bubble within the reactorare no longer beld by the U.S. Authority, the Nuclear Power nuclear safety officials. But Company, and Rolls-Royce are there is little doubt that the reactor has been seriously damaged. It is costing the secretary of the Electrical owners \$14m a month to replace Power Engineers' Association, its electricity by purchases from the power workers' union, is other utilities.

Machine tool exporters 'need Government help' BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE MACHINE TOOL industry "not a cartel or a price ring

needs Government help in co- but a solid commercial footing," ordinating and financing the with greater expertise available preparation of export tenders on from overseas embassies. Mr. a consortium basis, if it is to be Halbert, an exporter for the more successful in winning machine tool industry himself. orders from overseas. orders from overseas.

This would give the British competitor is the Japanese industry a more powerful ambassador."

Presence ahroad and help relieve companies of the burden invest more in the industry.

Of pre-contract financing, accord
They have got to get out of the contract financing, accordof pre-contract financing, according to Mr. John Halbert, their offices and discuss more recently elected president of the intimately their customers' Machine Tool Trades Association. "This can often amount come to us, we are the custom as much as £250,000, and then tomers. If they feel they are the company might not get the not in the risk business, then contract at the end of the day." let them participate more." Mr. Halbert, in an interview He believes the industry, published today in the associa- which has slipped down the tion's newspaper, says be wants ranks of the world exporting the industry to emulate the league table from third in 1970 Japanese or the Germans in pre- to seventh position, is dansenting a more united front, gerously under-capitalised.

says: "So often, my blggest

Argyll Field output rises to 30,000 barrels a day

BY KEYIN DONE, ENERGY CORRESPONDENT

ARGYLL FIELD, the smallest oil. commercial North Sea discovery. The latest well, the 11th to be has raised its output to 30,000 completed, is flowing at 10,000 barrels a day with the com- h/d. With total production at

come on stream in the UK sector of the North Sea in 1975.

pletion of a new development 30,000 h/d, output from Argyil well. . . . is likely to be somewhat higher Argyll was the first field to than was expected at first.

The new well is the first to tap the Rolliegendes sandstone The production has been formation at Argyll in any erratic with water entering some significant way. It could lead Company's warebouse in Deans-of the wells, while others have to the discovery of other small gate, Manchester, now used as continued to produce mainly accumulations around the field, a car park.

THE CBI'S NEXT PRESIDENT

Sir Ray Pennock, an arts man among accountants

WHEN THE Confederation of British Industry needs to find itself a new president, it conducts informal soundings and consultation among is mem-bers on a scale that could only be admired by older Conserva-This message was delivered care and maintenance of plant, tive Party stalwarts more used yesterday to a meeting at the Almost 400 men have already to their leaders "emerging" yard, but no decisions were left. In addition, British Ship-taken. The meeting is to re-builders has undertaken to ballot.

Yesterday this gentlemanly process led Mr. John Green-borough, the current president, to produce the name of Sir Ray Pennock, an extrovert and widely respected deputy chair-man of ICl, as the CBI's new deputy president. This was a discreet way of saying that Sir Ray is president-elect and will "shadow" Mr. Greenborough for the next 12 months before becoming president for two years in his own right.

years in his own right.

Sir Ray, who is 59 next month, will bring to the presidency a range of experience of business in the UK, Europe and the U.S. gathered during a lifetime spent with ICI which he joined in 1947 with a history degree from Oxford. They have to decide whether the £85m shipbuilding interven-tion fund and the Shipbuilding degree from Oxford.

An arts man among chemists and accountants be worked his way through 10 years on labour and personnel affairs and a period on sales before becoming a divisional commercial director in the early 1960s. He then became successively deputy agricultural husinesses before joining the ICI main board in 1972 with responsibility for com-mercial and planning functions. organics products, and the Pacific and Far East.

He became a deputy chairman in 1975 in charge of ICI's overseas expansioo, first in Europe and then io what ICI calls "the Americas." As chairman of ICI's corporate responsibility committee he has been guardian



Sir Ray Pennock from the ICI "Mafia." conscience (he has encouraged staff to become MPa). He is also

chairman of its senior appointments committee. Last year be was a laading contender to succeed Sir Row-land Wright as chairman of ICL He made no secret of the fact that he was deeply disappointed when he was beaten by one of. his fellow deputy chairmen, Mr. Maurice Hodgson. When he

lost, his name was immediately canvassed as a possible director-general of the National Economic Development Office, but be showed no real interest in being considered for the job.

At the CBI he has been chair-

committee for about two was, which has given him direct insight into the alleges of Eritain's sight into the amous a school's industrial and retailing com-panies it has also made him one of the CBF's regular spokesmen because he is in there of publicising its quarterly ministrial

trends report.

He is also charman this year of the Chemical Industries.

Association and is known as a man who can go on to public platforms and television to put a "human face" on the techni

calities and environmental and other problems of chemicals. At the CBI he will try to do the same thing for business generally. Yesterday the said that he had Iwo main ambitions one was to help the CRI develop "terth" and the other

about the importance of the creation of wealth."

"People are shockingly unaware of business realities," ha said. "One heard this winter about the problems of the low-paid worker and the craftsman, but never in the whole debate affect here did one hear discussions.

meeting (which formally voted its assent), he was clearly aware of possibla criticism that he was perpetuating what soma smaller companies regard as the the "Shell and ICI mafia."

Mr. Greenbrough is deputy
chairman of Shell UK while Sir John Methven, CBI direc-tor general, used to be with ICI. But Mr. Greenbrough handled some ways it will simplify things, because it will soon not

be the Shell-ICI mafia but just

Caterpillar to expand UK output

CATERPILLAR TRACTOR, the U.S. owned construction equip-ment manufacturer, is planning o expand its production near

Newcastle npon Tyne.
The company, which also has plants in Glasgow and Leicester, has applied for outline planning permission to develop a site alongside its existing plant at Birtley.

Charles buys RA pictures

PRINCE CHARLES has bought two pictures at the Royal Academy Summer Exhibition, row, after they caught bis eye during a preview. He saw the exhibition with Sir Hugh Casson, president of the RA, after the traditional Academy dinner at Burlington House, Piccadilly. The paintings are Winter's Day, a small oil, priced at £130, by Mr. Jeff Pickering, of Marston Road, Sberborne, Dorsat, and Early Morning Sunlight at £500, by Mr. Arthur Tribe, of South Norwood, SE London.

More jobs hope

CROFFIELD ELECTRONICS IS to expand its Peterborough factory and create 100 jobs. The company, which won the Queen's Award for export this year, produces specialised equipment for the printing industry and employs 350 people.

Bank court plea

KENDAL AND DENT, the London "silver" bank which is fighting a compulsory winding-up petition, will undertake to reorganise Itself if it is allowed to continue trading, a QC said in the High Court yesterday.

Britannia deal

BRITANNIA AIRWAYS, the independent holiday charter airline, bas won a three-year contract from the Ministry of Defence, worth about £7.8m, to carry troops between and UK and Cermany. It involves some 15 Boeing 737 flights a week.

New bus ready

The first British-built articulated bus came off the production lines yesterday at Leyland Vehlcles' Workington bus plant in Cumbria. Five of the 120-seater buses will go on a two-year trial in Sheffield.

Maternity grant

An immediate increase in the state materalty grant from £25 to £100 is called for by the Equal Opportunities Commission in Its latest report. The grant was fixed in 1969.

Sponsor switch

THE IMPERIAL Group has taken over a number of sponsor-ships from its tobacco division —including tha Royal Opera House in Covent Garden, the Old Vic Company and Imperial

Status building

THE DEPARTMENT of the Environment has given Grade II listed huilding status to the former Great Northern Railway

CBI solidarity plan to back union reform

BY JOHN ELLIOTT, INDUSTRIAL EDITOR-

A study of the "balance of.

power" between employers and workers is being undertaken by a working party headed by Mr. Alex Jarratt, chairman of Reed. and an interim report will be-given tonight to Mr. James Prior, Employment Secretary, when he meets CBI leaders to themselves to be "picked off one discuss the Queen's Speech. by one." For example, a com-"Thare is a great concern pany should not put exira. about what bappened to indus pressure on a supplier or try last winter and our mem-customer, which was suffering believe that the few legislative changes being con-sidered by the Government will not set the whole thing right. So we have to see what we can do for ourselves," sald Mr. John Greenborough, president of the CBI after his monthly council meeting yesterday had discussed the new political situation.

Members of the balance of power study group include Sir Ray Pennock, who yesterday became president-elect of the CB1, Sir Terence Beckett, chairman of Ford UK, and Sir John Methven. CBl director general. umon power in the UK and

THE CBI is drawing up a plan the CBI's next annual conferfor solidarity among companies ence in November.

to hack up the industrial relations legislation being planned solidarity ranges from joint by the Conservative Governstrike funds to help companies facing union action to better laison between employers about their labour agains he Engineering Employers Feder-ation has been urging its

such action.

Mr. Greenborough said that
employers should not allow industrial action, to deliver goods or pay bills. "We should he more sympathetic instead because putting pressure on might mean that the other com-

union pressure." The question of relationships between the CBI and trade and employers associations will form a later part of the study. So will the balance of power between companies and the Government.

pany feels bound to cave in to

Meanwhile the CBI is drawing up a detailed list of the labour law changes which it wants the The working party is studying Government to introduce. This ways in which employers belp each other when faced with after tonight's talks with Mr. Prior and will include changes abroad. It intends to produce affecting picketing, closed shops a major report for debate at and ballots.

Top writer quits BBC

Heaven is moving from the plays.

Trodd and their associates, will television.

THE award-winning controver-work within the LWT drama sial television author Dennia department over the next two Potter who wrote Pennies from years producing six Potter years producing six Potter

Heaven is moving from the BBC to London Weekend Television, which is making substantial new investment in drama.

Under the agreement with LWT. Pennies From Heaven, an independent production comindependent production com-pany owned by Potter, Kennith sold to Mobil Oil for American

German pays £105,000 for Picasso etchings

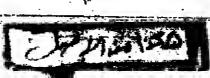
The works of Edvard Munch were in particular demand. Modchen auf der Brucke went to an English private buyer for £46,000. He also paid £17,000 for Madonna by the same artist. Munch's Abendam Strand-Melancholie was acquired by an American buyer for £34,000, A Japanese collector paid £42,500 for the 14 Picasso etch-

Christie's Impressionist sale

THE COMPLETE set of 100 Argentenil, Fin d'Apres Midientenings and aquatints of La was bought by the Aquavella Suite Vollard by Picasso sold for Gallery of New York for £171,568. Christie's sold it-in. lector at a Sothehy's print ancient of tion yesterday which totalled for 38,000 guineas. Un factor of the solution of the solu premium, plus 0.8 per cent VAT, by the same artist went for must be added to the purchase 193.137. Another Repoir, Porce trait de Coco, fetched £73,529. Among the drawings,

SALEROOM BY ANTONY THORNCROFT

Gogh's La Zouare Assis was sold for £137,254, also to Aquavella. Sotheby's sale of fine jewels at Zurich produced the remarkings La Suite des Saltim able total of £5.5m for the three bonques. Other good prices were sessions, with top prices of the £15,000 for Vnmpyre by £216,000 from a Belgian buyer Munch and the same sum for for a diamond necklace by Noch Dem Sundenfull: Asche by Chaumet and £134,000 for a ruby and diamond necklace by Cartier. in New York on Wednesday items, a diamond flower brooch brought in £3,272,254. Monet's doubled its estimate at £66,000.



domestic credit up £810m BY PETER RIDDELL, ECONOMICS CORRESPONDENT

supply, rose by £740m, or 1.5 per cent deposits, rose by £790m (or 3 per cent) seasonally adjusted, in the four weeks to April 13. This brings the increase over the six months since the beginning of the current target period to about 64 per cent. This is convalent to 124 per cent at animal rate. equivalent to 122 per cent at annual rate, compared with the target range of 8 to 12 per cent.

The narrowly defined money supply, M1

STERLING M3, the broadly defined money which includes notes, coin and bank demand

crédit expansion amounted to £6.3bm. This compares with the limit for the year of £6bn originally agreed with the International Monetary Fund.

•		1.74									
	Money .Si	tock M1		Money Steri			Bank k		ex	stic credi pansion	
•		Sessonally			Sazsonally			Semponally	y Seasonal		
	Unadjusted	adjusted	7.	Unadhuste	d adjusted	%	Unadjuste	d adjusted	Unadha:	ted adjusts	
1978											
une 21	-312	-28	0.1	209	402	0.9	636	500	514	517	
uly 19 ·	763 135	549 150	2.3	935 487	670 225	1.4 0.5	1,006	429 311	-389	122	
August 16			0.6				-163			-190	
Sept. 20	137	249	1.0	478	477	1.0	11.	16	540	659	
Oct. 18	478	235	1.0	535	365	0.8	414	396	587	- 476	
Nov. 15	40	44	0.2	254	343	0.7	279	453	150	287	
Dec. 13	989	585	2.3	950	· 743	1.5	6	475	1,241	1,092	
979								-			
an. 17	—548	203	8.0	332	1,002	2.0	1,215	494	344	801	
eb. 21	-222	222	0.9	-34	530	1.1	1.215	7,099	385	7,689	

519 1,728

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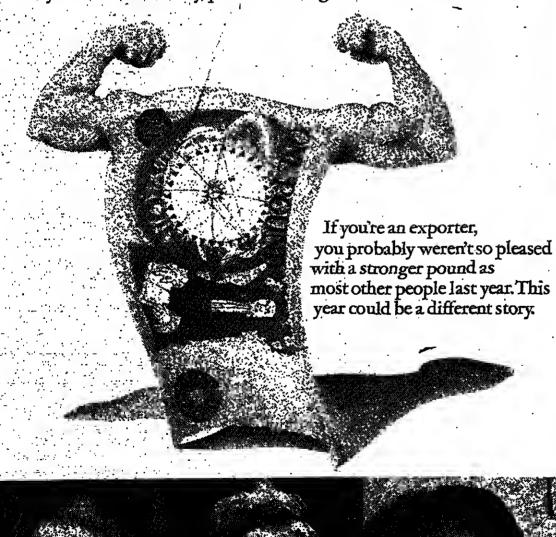
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You don't need Old Moore's to tell you what you're in for this year.

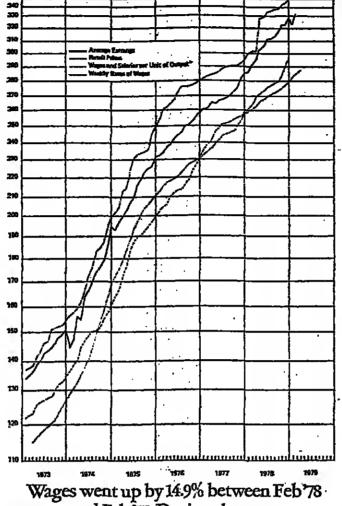


Yesterday Iran. Tomorrow, who knows?
Oil, petrol, plastics, the list of raw materials affected by political upheavals
last year is endless. Today, petrol rationing in California. What next?

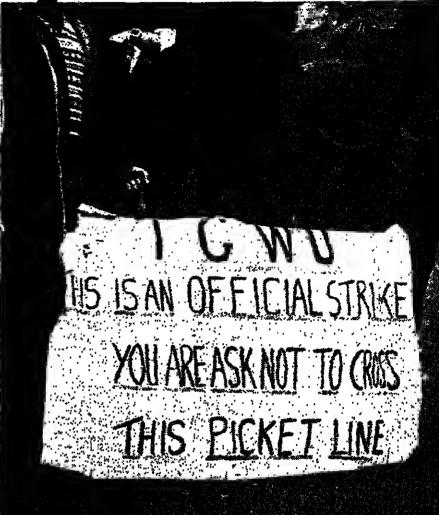




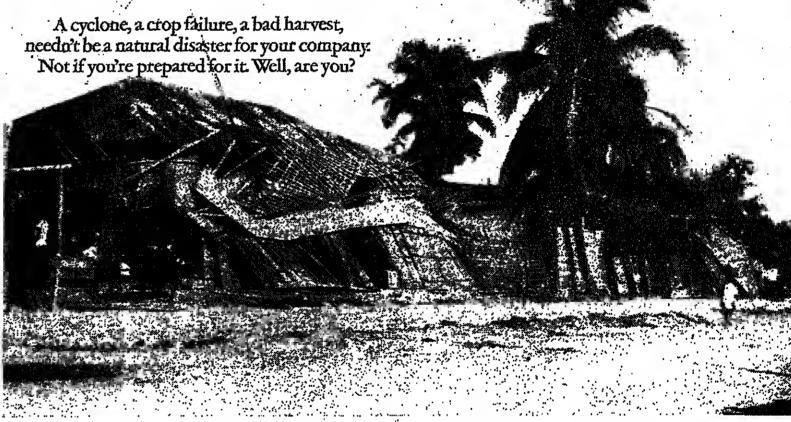
You know what they say about a new broom. Whatever they do over the next twelve months is bound to affect your company. Will you be ready to make the changes when they do?



Wages went up by 14.9% between Feb 78 and Feb 79. During the same period inflation only went up by 9.6%. What's your guess for next year?



You didn't need a strike in your own company to have been badly affected by one last year. This year needn't be the same. If you're clever.



Like it or not, the unforseeables in a continually changing business world are a fact of life.

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And a body of expert support on hand when you need it.

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Present PARSEC with a choice of alternative decisions open to you and it'll provide any number of projections for side by side comparison.

Almost immediately, you'll know whether you should get your raw materials elsewhere,

or modify the product, or retool, or put up prices, or whatever.

The upshot of all this is plain to see.

If PARSEC is a godsend in solving a crisis, it's also invaluable in preventing one.

As an everyday example, you could use it to scan changes of inflation levels of different raw materials, or capital replacement levels before things get out of hand.

Or you could run an exercise to test the viability of a new plant or a new product.

With a budget in the offing you'll be able to use PARSEC there too.

If it's good news for your particular business you'll be quicker on your toes than the competition.

If it's not so good, PARSEC will help turn the situation to your advantage.

While the competition is still wondering what's hit them.

For more information about PARSEC, contact Alan Biller at Comshare, 32-34 Gt. Peter Street, London SW1 Tel:01-222 5665.

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GRAYS BUILDING SOCIETY REPORT BLAMES DIRECTORS AND AUDITORS

Jaggard 'gambled away millions'

society chairman Mr. Harold Jaggard, who successfully de- and to finance Mr. Jaggard's frauded the Grays Building extensive gambling: "Wo have Society of £7.1m. over 40 years, no doubt." says the report, "that was revealed in a report published yesterday.

The report, commissioned by the Chlef Registrar of Friendly Jaggard's fraud was the domi-Societies, is critical of the roles nant position he hold as chief played by the Grays directors, auditors and the Registry of Friendly Societies in allowing the fraud to go undotected for so many years.

It says: "The fraud was trol for which the directors were responsible and remained undiscovered because of the persistent gross failure of the auditors to discharga their professional duties properly."

The report says that it was unfortunate that an oarlier. inquiry into Grays, conducted by the Registry, had stated: "It abould be mentioned that all tho records are impoccably maintained and with the exception of the arrears control, the systems appear to include builtin checking operations cal-culated to reduce the possibility

of error to a minimum.
The Building Societies
Association (BSA) is also
criticised. Mr. Jaggard's rosolve to resist reforms suggested by the Registry had been streng-thoned by the "support and comfort" obtained from the

BSA.
"If the BSA is going to defend its members against the Registry, which, in our view, has a difficult job to do in attempting to monitor buliding socioties, it is undesirable to do so in the absence of full information." buliding

. The report, compiled by Mr. Ian Hay Davison, a leading City accountant and Mr. Murray Stuart Smith, a barrister, calls for stricter controls by the Registry and improved auditing standards and procedures, as well as improved guidance and training for directors and clerical staff of building

It reveals that Mr. Jaggard. "apparently neither persuasive nor charming," had supported two families for 18 years and gambled away at least £21m on dog and horse racing. He also had suits made in the West End, smoked cigars, ran two cars and frequently shopped at Harrods and Fortnum and Mason, all on ao annual salary reported as £5,275 in 1977.

Mr. Jaggard committed suicide last March—when bls. fraud was about to be uncovered —leaving just £1,500 in his current account, no investments and a house in the name of his third wife and former mistress.

THE DOUBLE life of building Most of the money stolen was used to buy gifts for bis family meet his gambling dobts."

A major factor in Mr. executive and chairman of the Grays society. Junior staff never discussed their work with directors and auditors.

"All communications ran through Mr. Jaggard, who was facilitated by the lack of an thus able to prevent the adequate system of internal condirectors and auditors from discovering what was afoot and tho staff from recognising the evidence that lay before their untutored eyes. It describes bow a series of

investigations—carried out first by the auditors and then by the Registry—since 1952 had failed to spot the serious discrepancies the Grays accounting pro-

Mr Jaggard had consistently stolen cash from the society and then covered tha theft by "accelerating the banking of cheques received in a sub-sequent accounting period" and later falsifying records—a practice known among accountants as "teeming and lading."

He also established special share accounts from which he

misappeopriated further funds. In the 11 years to December 31, 1977, it has been estimated that Mr. Jaggard was stealing an average of £1.250 a week—

£65.000 a year.
To aid his deception, Mr.
Jaggard had insisted that
records be made either by pencil or fountain pens using only Stephens blue ink. This made it easier for him to faisify records. The system was described as "swift, effective and simple."

A fundamentat weakness at Grays, says the report, was that "the board failed to exercise adequate control over the affairs of the society." There was an almost total lack of forward be introduced — a measure planning and many officials which Mr. Jaggard had stroogly were unaware of their duties opposed.

have reservations.

● The Registry of Friendly Societios should monitor more closely the performance of

It should also be able to object to the appointment of auditors about whom they

· Anditors should be required to complete

a questionnaire so that the Registry can judge professionat qualifications and efficiency of

previous audits. Auditors should also be pre-

pared to supply information about building

societies on request by the Registry.

• Accounting standards for building societies

should be improved and auditors encouraged

to meet directors of building societies for



under the 1962 Building Society

"Although many of the directors disliked the fact that Mr. Jaggard was both secretary and chairman, they failed to exercise the additional measure of control which this situation called for and failed to reach decisions in time or at all see that Mr. Jaggard as Secretary carried them out."

It noted that when the Registry called for its first inquiry Into Grays in 1974 that the average age of the directors Was 74. It was the advanced years of

many of the Grays directors tbat prompted the initial investigation by the Registry and subsequent investigation in

These showed that the Grays liquidity ratio was somewhat recommended that mechanisa-tion of the society's operations

The main recommendations

However, the report said that there could be no criticism of the Registry for not suspecting from the statistical returns and other information and reports pcovided that a major fraud was being committed at Grays.

The report said that the Registry's statement about the accuracy of Gray's books and records was misleading. It is also critical of the Gray's auditors, English and Partners, which with Appleby and merged Woods in October, 1974.

In particular, it says that Mr. Arthur Nudd, who had been responsible for audit work at Grays since 1850, had failed to investigate Mr. Jaggard's disposition to maintain large amounts of cash on the premises—which was often unaccounted for which he used in his "teeming and lading" fraud.

The report noted that a special audit had been required in 1952 after Mr. Jaggard's gambling habits became known to the Grays directors. This audit however did not uncover

whom they work at least once a year to discuss

accounting procedures.

The Registry should upgrade the professional qualifications of those of its staff conducting inquiries into building societies and provide guidance courses for society

directors.

Society directors reaching the age of 70 should be required to seek restletion annually, while the roles of chairman and chief executive should not be combined.

Two executive directors should serve on society Boards and steps should be taken to ensure that junior clerical staff are adequately

the fraud although, for a time Jaggard dropped.
It said that there was a consistent failure by auditors-some of whom were advanced in years, while others had no professional trainingto discharge their dnties

Proporly. Tha audit itself, particularly the year-end audit, was predictable in its scope and timing. The actual work performed had not significantly altered for 25 years; the attendance of the andit staff to perform the yearend audit always followed the same pattern. Mr. Jaggard knew exaclly what the auditors did and when they could be expected to do it.

Important tasks delegated to staff who had no accountancy or audit training othor than that which they picked up in the course of their largely unsupervised work. In Particular the crucial work on the summaries was loft in un-trained bands."

Tho fraud was eventually uncovered when a junior member of staff noted a discrepancy. The roport says: "It is peobable that if Mr. Nudd had adopted the practice of attending at the Grays offices when the junior staff were thero the fraud might well bavo been uncovered much

earlier.
"In March, 1978, the routine
of the years was changed: it appears that It was this change of rputine and nothing more, that brought Mr. Jaggard's house timbling about his oars." Groys Building Society Report for the Chief Registrar of Friendly Societies, Mr. Ian Hoy Davison and Mr. Murray Stuart-Smith. SQ £3.50.

'Limit foreign doctors'

BY MAURICE SAMUELSON ..

MACHINERY TO regulate the immigration of overseas doctors to Britain, and create a higher ratio of consultants in hospitals has been proposed by a working party of the British Medical Association.

The group has spent the past five months studying staffing and training requirements.
Its 15,000 word report calls

for regulations to control the number of overseas doctors seeking professional appointments in the UK and to limit the period they can practise

The report will be considered by the BMA council at the end of the month and will then go to the BMA's divisions and its representative body.

Dr. Michael Wilson, chairman of the 12-man working party, denied yesterday that the proposala were discriminatory. The main point was that regulatory machinery should exist.

This would be in the interests of overseas doctors and in aome circumstances it might decido that more rather than fewer were needed bere, he said.

Manpower

The numbers of overseas doctors allowed in permanent practice would be decided on the advice of a new body, representiog the medical profession and the health authorities. Its purpose would be to keep watch on manpower, and training requirements.

The report says that the present level of medical immigration appears to be determined by the opportunities for employment and for post-graduate education. "The National Health Service looks to overseas doctors to fill the demand for posts in specialities and areas which are insufficiently attractive to be filled by British graduates."

This was in conflict with the view of the 1968 Royal Commission on the bealth service that Britain should not rely 00 countries whose own need for doctors was greater.

The report calls for a new training grade at registrar level

closely linked to senior registrar There would be selective entry and a year's probation, after which successful candidates could enjoy faster promo-

tion to consultancy appoint ments. Doctors who failed their probation would be able to switch more quickly to another speciality, thus reducing the frustration which many now

£11m to train computer staff

Services Commission at a cost of £11m.

The training programme follows a warning from the National Economic Development Council sector working party for the industry that growth be badIv could prospects hampered by a shortage skilled programmers.

Most electronics companies including the General Electric Company, Plessey and Ferranti havo also been suffering from shortages of programmors.

The spread of computers and particularly micro-computers to a wide range of products from defence electronics to consumer products has accentuated the need for programmers and computor operators.

The programmo will provide an extra 2,500 to 3,900 training places at colleges and poly-technics throughout the UK in each of its three-year operation, the commission says.

The grants will be made to belp in the establishment of new

courses. In addition, grants to help people attend courses will be increased under several existing schemes including the TOPS (Training Opportunities

Three separato types of courso are envisaged: a basic course for computer programmers, a more advanced course for programmers of "real timo" systems like

A CRASH programme to train those used for airline books A CRASH programme to the and the most advanced for more computer staff is to be and the most advanced for sponsored by the Manpower systems analysts who work at Services Commission at a cost the higher level of entiretter

programming. In the computer world liself, the cost of machines is steadily shrinking compared with the costs of programming them. In many systems programming costs can be well over half of the total, and the treat is

expected to continue, In telecommunications, where computer controlled new computer controlled exchanges are taking over from their electro-mechanical predecessors, there is a desperate shortage of good programme in the UK and elsewhere

in the UK and elsewhere.

In the office equipment industry also, micro-considers are beginning to be useff in many types of equipment ranging from typing systems electronic libraries and copiers. All these micro-constants these microcomputers have to be programmed. A shortage of programmers could be a great disadvantage to any company rying to make an entrance into this fast-growing market.

The UK has in the past had a high degree of expertise in computer programming. How-ever, low salary levels com-pared with those in the U.S. and Germany, have lod to a steady loss of good programmers to jobs abroad. The successive pay. policies have prevented com-panies from increasing salaries as much as they would like.

New commercial vehicles sales set April record

BY LISA WOOD

NEW COMMERCIAL vehicle sales 6.285 were imports, the the highest for any April Work was particularly strong in yesterday, with Ford capturing 30 per cent of the total sales.

Figures published by the Society of Motor Manufacturers for new registrations show sales clightly dropped 40, 5,512 company. for new registrations show sales

April, about 18 per cent more than in April 1978 and nearly

of 26,999 commercial vohicles in

derived vans and pickups; and medium vans and trucks, four-wheel drives and beavy trucks 1979 total commercial vehicle sales were up by 16 per cent April 1978. The importers' share of the

sales in the UK in April were main imports coming from the highest for any April, Volkswagen, West Germany

mercial vehicles in April very slightly dropped to 5.512 compared with 5.822 in the same month last year Ford's sales rose to 8.051 compared with 5.790 in the same month last year. Bedford also increased 3,000 more than in the previous 5,790 in the same month last peak April in 1973.

Salcs of British vehicles were its sales in April 1973 compared higher in all categories—carwith the previous year—from derived vans and pickups; 3.914 to 4.847, medium vans and trucks, four—In the first four months of

to the highest level since 1973 at total market was slightly down 98,461 units. Over the same from 23.8 per cent to 23.3 por period the importers' share of cent of the higher overall the market foll from 22.2 per market. Of total April 1979 cent to 21.3 per cent.

New London airport | Car insurer sites list next week

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LIST of possible sites for a third major airport for London up the Advisory Committee on is expected to be published Airports Policy, to consider next week by the South-East long-term plans for the country. Airports Study Group, set up some time ago to advise the Government on this controversial issue.

The list is expected to include Stansted airport; a possible revival of the Maplin plan for an airport on reclaimed land off the Essex coast; and several inland sitos. including thoso near to Nuthampstead, Horts, and Thurleigh in Essex.
The latter two sites were on the original short-list con-

sidered by the Roskill Commission, set up by the Labour Government in 1968. Although Roskill urged Cublington as the site for a third airport, the Government

rejected this and chose Maplin.

Development there was begun, but the project was abandoned in 1974 because of high costs. However, traffic bas continued to rise, and the pressures have become so great that a sted will be preferred, because costs in respect of any one new airport is considered it is already functioning as an incident with no limit to the urgent for London and the airport, and will cost far less number of claims in any one South-East in the next decade. to develop than other sites.

Last year, the Government set It has been supported by a specialist sub-committee, the South-East Airports Study Group, dealing solely with tho regional requirements.

The short-list is believed to include some possible new.
"green-field" sites. One of
these is understood to be in tho
area known as The Rodings, in
the Harlow-Chelmsford-Biahops Stortford triangle, while others are close to Nuthampstead and

Bitter

Whatever the gcoup's suggestion will only be a recommen-dation for further study, and it seems clear that a long and bitter environmental battle will follow any final recommenda-

tion.

Most aviation observers still believe that eventually. Stan-

adds legal costs cover

By Eric Short

BRADFORD-PENNINE Insurance, part of the Phoenix Assurlargest motor insurer in the UK. is marketing continental-style

Policyholders have the option

ing manager of the company, said that baying legal expenses insurance was a common feature with most Continental motor insurance contracts. But this was the first time that it had been generally available to to seek to run the affairs of British motorists.

Legal cover is provided by DAS Legal Evnences Insurance. which Phonnix Assurance

Group and the fourth motor insurance nolicy.

of adding legal evnenses insurance cover to their standard motor policies. Mr. Maurice Keenag, market.

has a 50 per cent interest.

It is available in three sections—prosecution defence. personal injury and accidental damage. The cover normally provides up to £5.000 of solicitors' and barristers' fees, expert witnesses' expenses and court costs in respect of any one incident with no limit to the

TRIBUNAL OF INQUIRY ON CROWN AGENTS

Challis tells of board's deficiencies

THE BOARD of the Crown Ageots had no real powor and lacked real collective financial and investment expertise, Mr. Alan Challis, the Agents' former finance director, said yesterday. Mr. Challis, who rosigned in 1973, was giving evidence to tha tribunal investigating the £200m losses incurred by the Agents after thoir 1967-74 involvement with secondary banking and

Mr. Challis said he could not emphasise too strongly that it was the inadequacies of tha Board as a board of management which dictated bis approach to it.

> the finance directorate with efficiency and integrity, working as directed to Sir Clande Hayes, who succeeded Sir Stephen Luke as head of the Agents in 1968, and then report to the Board.
>
> He said: "This is not to imply any contempt for the Board nor to soggest that one deliberately avoided its scrutiny. It was simply a matter of involving the Board in whot

> scemed the most sensible and constructive manner, taking

account of its manifest deficien-

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The appropriate course was

responsibility for conducting the affairs of the Ageots would bo vested in an executive hoard. Ho put forward peoposals to

In September 1973 in the few weeks before he left, he presented to the chairman and directors bis "last will and testament "-an outline pro-posal for the incorporation of the whole of the Crown Agents "own account" activities.

Mr. Challis was convinced that there was absolutely no possibility of the Crown Agents tinued resistance to all proposals put forward (from Whitehall relating to the future status and structure of the Agents) would eventually result in the Agents having a solution imposed npon them. If that happened, be was sure it would not particularly acceptable.

But he found it prefoundly depressing that the majority of

the basic aim should be to retain He sald that he consistently the status quo. This was totally argued for a clearly defined unrealistic and dangecous in a corporate structure in which political sense.

Mr. Challis said he never bad any problem in approaching Sir Claude as his superior. He did not find him forbidding and was bim. He did not find him rude. difficult or unapproachable when it was a matter of reporting to bim. But he was inclined to behave very differently if there were other people present.

He bad a high respect for Sir Claude's intellect and courage. Mr. Challis said that Sir Clande certainly did not leave the financial direction of the retaining their unincorporated Agents entirely to him and he status. He felt that their con-played an active part in the played an active part in the area of finance as the selfdesignated Ccown Agent re-sponsible: But Sir Claude had many other duties and interests. Mr. Challis said he never withbeld information from Sir Claude which ho should have

> "However, while I should say that Sir Claude was kept fully the picture as to the affairs of the finance directorate, he obviously may not necessarily have understood at all times the full significance of the figures and information he was given. Mr. Challis acknowledged

finance directorate was large. "I had a wide area of discre-But Sir Claude always had the right of veto over finance

directorate matters.

that generally bis (Challis's)

personal share in the decision-making and direction of tho

Mr. Challis said he had no reservations about his working relationship with Sir Claude. Although be could be difficult and irritating, this had no bearing on the matters now being investigated.

"That I found Sir Claude difficult to get on with in somo respects, and that this was in a small degree a factor in my resignation, I would not dony."

Discussion

Asked to amplify his remarks, Mr. Challis added that it would be truor to say that the way Sir Claude conducted affairs was more of a factor in his resignation rather than their working relationship which, on a personal level, was entirely

The biggest and most important aspect of this was the Monday.

cies as a board for financial his colleagues on the board were question of the constitutional discussion and decision still believing, at that time that position of the Crown Agents. After what seemed to be years of discussion, with the intention of arriving at a now constitu-tional position, they found thomselves again talking serionsly about trying to maintain the status quo.

Mr. Challis sald that during never inhibited from consulting the 1960s the Crown Agents began oporating in a major way on their own account, and notably investment policy become "frankly adventurous" in certain areas. As the former colonies hecame independent the very survival of the Agency was in

serious doubt, but at no time did the Government grasp and make efforts to decide the problem of what to do with the Agents office in the changed political circumstances. The Office was financially in an extremely dangerous position. They had a very stark choice: either liquidate or find

naw means for survival. Mr. Challis added that the Government never encouraged the idea that the Cown Agents should liquidate—"our impression was that HMG much preferred the organisation to

survive but it was left up to ns

to arrange the aurvival." Development

He felt, as did others, that the office was a valuable institution worth preserving and worth the effort of moulding for it a continuing useful function, both as a commercial organisation, in its dealings with the former colonies, and as, in some sense, a continuing part of the armoury of Whitehall in the field of overseas development. Mr. Challis added: "I should

also say that the whole question of HMG backing was thoroughly ambivalent right up to the time | 2 5 per cent increase for Com-I resigned. I was sure that if monwealth citizens to 17,200. the Crown Agents ever looked like going bankrupt, then HMG would have to stop in. But it 1977 and 1978 were affected by in no way followed from this the introduction in March, 1977. that the Treasury would be of the amended rules by which willing to underwrite the operating deficits of the office on a mediate settlement on marriage

The inception of the "own account " activities occurred be-cause the Crown Agents were on their own, in the sense that no financial backing was to be expected in any practical sense, wbatever may have been tho feeling about the Government's ultimate theoretical involvement in the event of bankruptcy.

The hearing continues on

Immigration fell by 5% last year

IMMIGRATION figures publisbed yesterday io a Govern-ment White Paper show a decrease of 5 per cent in total acceptances on arrival in 1978 for all nationalities compared with the previous year.

Total acceptances on arrival

were 34,000 compared with 35,750 in 1977. This fall was mainly due to a 10 per cent decrease in acceptances on arrival of foreign nationals with only a slight docrease in the number of Commonwealth citizens. Within the total number of acceptances on arrival of

Commonwealth citizons tho largest increase, of one-third to 4.050, was in the number of Bangladesh citizens. There was also an increase of 20 per cent of citizens of the Old Commonwealth countries (Australia, Canada, and New Zealand) with a grandparent born in the UK. But this increase was largely offset by a decrease of 1,100 to 4,600 in the total nombers of UK passport holders admitted, of whom 1,750, 300 fewer than in 1977,

beld spocial voucbers. A furthar 38,350 immigrants were accepted for settlement on the removal of time limit, of whom 6,350 were citizens of India. 2,950 nationals of Pakistan and 2,950 nationals of Pakistan and 2,950 nationals of the U.S. This category incindes people who have been employed in the UK for four years or who are accepted because of

15 per cent up

marriago.

The total accepted showed an increase of 15 per cent on the figure for 1977 made up of a 20 per cent increase in foreign nationals accepted, at 21,150 and Acceptances for sottlement on removal of time limit in both

1977 and 1978 were affected by but instead generally bave their stay extended for a period of up to 12 months. The temporary drop in tha number of citizens of New Com-

Pakistan recovered in 1978, the largest single increase being from 650 to 2,400 in respect of Indian citizens. Control of Inmigration Statis-

monwealth countries and of

tics 1978, Commond 7565 HMSO.

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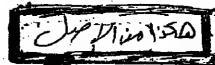


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st year

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voted for major electoral

a record of swings between Left

and Right at successive

this week is split 20-6 in favour of the Left.

now be chosen by individual balloting at branches, sub-

branches and work places. The

total votes for each candidate will then be aggregated and

sect to the unico's returning

officer in time for anoual con-

The new executive voted in

Executive candidates will

elections.

Tories push ahead on house sales

SHARPLY contrastion views of the consequences of the action being taken by the Government to promnte the sale of council function to the Government's the consequences of the action being taken by the Government's the Government's insistence the committee of the Government's the consequences of the Government's insistence that and rigorous review had been committeed to give local their premises without the fear their p dominated the resumed debate? of the Queen's Speech in the Commons last night.

In a speech which won him the acclaim of the Tory bencher. Mr. Michael Hessiting, the Environment Secretary, harled what had been widely hilled in advance as the sale of the century, as the means of provioling the framework for a 'social revolution."

He highlighted the growth in property values and deal red that the Government was genuinely seeking to spread Wealth widely among working

Refusing to be impressed, Mr. Peter Shore, the former Environment Secretary, argued from the Opposition front beach That the indiscriminate sal. of distinct houses could only mean greater hardship for those in greatest need of rented homes finner cities and other areas of scute housing theriage, Abusing illustrates the general approach and appeal of this Government—it is an appeal to he insisted, arrid Labour cheers.

Mr. Hessitine, congratulated by the Prime Elinister and other front bench colleagues on a performance which underlined present Conservative ascendancy in the Commune. He bitted that the budget on row is shrugged the charge aside. June 13 may deal with what he leitings.

du Cann

wins 1922

"leadershim

By Richard Evers, Lobby Editor

MR. EDWARD DU CANH. Con-servative MD for Taunton, was recierted theirman of the powerful 1922 Committee of Tory MPs last night, fol-lowing a challenge mounted

by a group of bambenchers. He defeated Sir Poul Bryan, MP

for Howden, in a straiget light after a second chai-

MP for Devices, had drapped funt because of the method of

The result of the ballet is never

made public, even to Con-

"Cann's majority was under-"stood to be substantial.

and its backbeachers.

hitterness towards

of a Department of Trace report which principled the hoard of Reyser Ullmann, the merchant bank of which Mr.

He-told MPs: "I shall be mak-

Night workers

taxi complaint

du Cann was engirmen.

challengers.

regards him as a staugeh ally

election chosen.

In a rapidly delivered outline councils more freedom from of having a sitting tenant for of the dovernment's aims for housing and local sovernment. he prefered the good news for council in use tenants with a warning that there is a real duncer of anglage rates employeen next year.

This lost the Government with

fo per cent, available from

wishing to putchase their

6 25 per cent for tenants of less than during years.

O 00 per con. for tenants in their fourth ; car, rising to

no choice, he ave lained, but in

seek to reduce the volume of

local authority offrent expendi-

ture. Urgant discussions with the local authority associations

to trong this about would begin

. Mr. Marchine, theouraged by

recount, solvers of cheers from Commission supporters, sist

looked for conemulture savings

induced the Capacitants savings through the contact ment of level as the rity direct labour deportments—mostly operated by Labour-controlly a councils.

homes are:

next monta.

which to codocil tements

DETAILS OF the improved discounts, renging from 20 to 50 per ceot at the rate of 1 per cent extra for every addifioral year that they bave been a council tenant with their current or any other local authority.

of Environment.

for local authorities.

O A safeguard on resale enables local authorities to ony back at sale price if the purchaser wisdes to move within five years.

Treasury and the Department

on estimate of both the man-

the opportunity to save money

power and financial implications

They would also have to carry

Whitehall interference. All life.

have to be cleared by the empty.

The deluge of circulars from of tenure for an agreed period.

central Government would be and he believed this would

cut, back, and any that were encourage people to let property

sent cut in future would first which had been standing

controls not absolutely essential

would be xwept away.

to offer dwellings to people other than tenants wanting to buy a home for their own exclusive ose. The discount in these cases will be either 20 per cent or 20 per cent depending on whether there is a pre-emption right for the authority to buy back within five or eight years.

O Councils will also be able

Under the short-bold lease,

the tenant would have security

Thousaods of young people. particularly in the cities, were likely to beoefit from the extra Amid Tory cheers, Mr. Heseltine stated: "There is no doubt that these disciplines will result in a contraction of direct labour activity as local anthoriaccommodation which was pro-

Mr. Heseltine pointed to the With these developments, diminishing level o flouse-build-local cuthorities would have ing noder the previous Govern-more cheice and flexibility, and ment to justify the fresh approach to housing policy which he had outlined.

Oo present showing, the num-her of approvals for new coun-Mr. Heseltine confirmed that a major new housing Bill, which cil homes this year would be little more than 50,000, even unil give council and new town tenants a legal right to huy their laimes will also include a worse than last year, when the figure was just 60,000. new system of sbort-hold He forecast that the private and taxpayers."

Mrs. Oppenheim said that both

"The net economic effect will be a better use of resources, a healthier and more efficient construction industry, and a reduced hurden on ratepayers

judged.

Early vote on capital punishment

lation—that local authority direct labour departments should be required to conform

to realistic pricing policies.

A tight and effective accounting system would compel local authority direct labour organisations to keep proper accounts.

These would have to be accounted that the system would be accounted to be a second to be a

separate from the rest of the

pareot local authorities activities, and show the percentage

The accounts would be in

form which enabled all appro-

form which enabled all appropriate costs to be properly identified and allocated, and would have to be produced promptly at the end of each year, with a detailed report to enable their performance to be

The legislation would also

require local authorities to test

the efficiency of their direct labour organisations in the

marketplace by requiring them

ties come to appreciate the relative cost and advantages of direct laboor and private

to put work oot to tender.

return on capital employed.

MPS ARE to be given a chance to vote on the return of hanging before the summer

In keeping with the Tory manifesto pledge, the vote will be a free one but despite the size of the Tory majority, it is unlikely that it will result in a return of the death

penalty.

The best that supporters of the motion calling for restoration of the death penalty for acts of terrorism can hope for is that the debate will increase public pressure for a referendum on hanging.

Most of the 268 Labour MPs are likely to vote against capital punishment, as are most of the Liberals and two independent Ulster MPs. A total of 49 Tory MPs voted against hanging in 1975 and 44 of them are still in the

LABOUR leftwingers falled yesterday to take control of two of the key positions in the Parliamentary party. Mr. Martin Flannery, the vicechairman of the Tribune Group, was beaten by 188 votes to 44 for the job of Opposition chief whip by Mr. Michael Cocks, the Establishment candidate and the man who held the job while Labour was in Government.

lenger for the chairmanship of the PLP, Mr. Norman Bochan, did only slightly better against Mr. Fred Willey, the vice-chairman in the last Parliament, under Mr. Ciedwyn Hughes. Mr. Buchan got 87 votes to Mr. Willey's 151.

The Tribune Group's chal-

The next stage of the jostling for who should hold the key positions in Opposi-tion continues over the next three weeks with the elections for 12 places in Mr. Callaghan's shadow cabinet.

PARLIAMENT will adjourn on May 25 for the Whitsun recess and return on Monday, June 11.

Subjects to be raised in the Queen's Speech debate, which ends on Tuesday, are: Today, foreign affairs; Monday, industrial pelicy and employ-

ment: Tuesday, the economy, pay and prices: Wednesday, debate on Welsh affairs: Thursday, second reading of Kiribati Bül; Friday, adjournment debates. The Lords' Whitsun recess

is from May 24 to June 12. Next week's business: Tuesday. Queen's Speech debate (foreign affairs and delence): £90 for bosun. Wednesday, debate on Euro-pean Parliament; Thursday, Pool Competitions Act 1971. The general council said yes-terday: "We have not yet re-

Gallaher strike goes on

By Our Belfast Correspondent

MORE THAN 4,000 process workers at the Gallaher

a inree-week strike.

Union, are demanding parity with craftsmen, who have accepted 2 5 per cent increase.

will blunt Left wing BLOCK VOTING in elections in actual votes cast for each candia major advance for CPSA Britain's largest Civil Service date. The present system of democracy, and began a new union ended yesterday when the mandating meetings allows control of the c union ended yesterday when the annual conference of the Civil

CPSA switch to ballots

The changes, which will bring mandating meetings.

io a "pit head" type branch ballot system, are expected to unions two vice-presidents will severely limit the influence of be abolished, with the top two the union and to bring a election automatically taking on measure of golitical stability to the senior and junior vicemandating meetings. presidential offices. the union executive, which has

Detailed plans

joined together in an unprecedented manner to vote the new system in on well over the twothirds majority constitutionally demanded. A previous motion sponsored by the executive for less radical reforms was passed over in favour of the motion eventually carried.

The votes announced at conference will therefore be the secretary said the decision was cated an incomes policy.

ference delegates to vote with union's accountants will now the total number of members in draw up detailed plans on how the total number of members in the new system will work those who turned up at the sandating meetings.

Separate elections for the militant group in both the unions two vice-presidents will CPSA and the Labour Party. The group's disruptive action had, he said, prevented delecandidates in the executive had, he said, prevented dele-election automatically taking on gates at this week's conscience frem making decisions on im-

portant issues. Left wingers failed to unsert Mr. Thomas from the TUC General Council Mr. Thomas was prepared to offer his resig-All shades of political opinion was prepared to offer his resig-in the union apart from the nation from his union post to small militant faction have the membership if a left to the the membership if a Left wing sponsored motion withdrawing his nomination by the union for the General Council elections had been carried.

The motion was in response to Mr. Thomas's signing of the Better Way document on pay and the economy drawn up on behalf of a group of TUC mod-erates which effectively advo-

Angry miners urge Murray to reject talks with Government

SOUTH WALES Miners' repre- she would put the clock back tive, endorsed the militant line lo an emotive emergency many thiogs in the Conserva- in legislation will make last debate on the Queen's Speech, tive manifesto woold not wioter seem like a picnic," he delegates urged Mr. Leo become reality.

Murray, the TÜC general secretary, oot to enter into any nego-tiations with the Government

through Parliament. Mr. George Rees, the area. secretary, warned that if there was a dispute in one pit as a result of the legislation. "the whole of South Wales will be

in attacking the closed shop and secondary picketing, and in introducing postal ballots,

'Succour'

while it threatened to push we are facing a near Neo-"anti - union" legislation Fascist Government determined we are facing a near Neoto destroy any semblance of The conference agreed to socialism in this country." he campaign against coal imports declared. Leo Murray had to and oppose further pit closures, come out now and say "hands a live issue in South Wales

sentatives reacted angrily to 30 years.

adopted by all delegates. Trade the Government's trade union Mr. Emlyn Williams, the union strength could only be proposals at their annual con-South Wales Miners' president, retained through the closed fereoce in Porthcawl yesterday. said they had initially thought shop, and "Attempts to bring Io an emotive emergency many thiogs in the Conserva- in legislation will make last

> "Bot it is now fairly clear quired, it could only be done by the unions thmselves, he added.

result of the legislation. "the whole of South Wales will be whole of South Wales will be on stop."

He called oo all unions to fight "this need all our strength and of two pits, Deep Duffryn in vicious anti-union legislation." succour, and we must regard the Cybon Valley and Fernhill in attacking the closed shop and secondary picketing and Mr. Tommy Walley a lead, further investment to seen up. Mr. Tommy Walker, a lead-further investment to open up ing moderate on the area exem-

North Sea supply men seek 30%

Financial Times Reporter

THE National Union of Seamen negotiators representing 1,400 North Sea supply boat crewmen will shortly submit a substantial wage claim to boat owners. After a meeting in Aberdeen of 30 supply boat crewmen. delegates said that they would be looking for a 30 per cent

rise on their basic rates. But because of the complex structure of payments made to supply boot crews exact figures will be left to the union's negotiating team, which includes three ordinary crewmen.

The other payments, such as overseas allowance, cargo hundling payments, anchor handling and cook's allowances, may boost the initial claim to over 40 per cent.

Crewmen are also looking for a reduction in offshore duty from six weeks on, six weeks off, to four on, four off.

Affiliated

The new deal, to operate from July 2, will affect 1.400 men on about 70 supply boats whose owners are stilliated to the General Council of British Ship-

ping.
The negotiations will take: place between the union's section of the British Seafarers Joint Council and supply boat operators in the general council, who account for 90 per cent of British owners In the North

At the moment, the consolidated weekly wage over a 52-week year is £84 for a seaman, £89 for cooks and stewards and

ceived the claim; but any claim is always given full considera-tion. There will be full consultation with members involved. and a considered reply will be

tobacco company's two Ulster factories have rejected management proposals aimed at ending

The staff, members of the Transport and General Workers Gallaber has warned that its Mr. Joseph Parker, whose wife, planned £15m investment in the Mrs. Janet Parker, a member of Uster plant is at risk because ASTMS, died, and her mother, waked out after rejecting an Whiteomh who recovered Editorial comment, Page 22... of unsettled industrial relations.

Warning of labour laws 'minefield'

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. KEN GRAHAM, assis- level of certain rights for tant general secretary of the TUC, told the Fire Brigades Union conference that if the Government was not carcful, it could end up with a minefield of new labour laws.

Speaking at Bridlington, yesterday, he said Thiscould result in a repeat performance of the difficulties in which industry became embroiled between 1971 and 1974 because of legalistic inter-ference in industrial relations."

Mr. Graham gave a similar warning to Mr. Len Murray, TUC general secretary, and other union leaders since the

change of government.
The TUC, he said, had never been opposed to all Government action or legislation in employment and in-dustrial relations. Since 1963 legislation had been introduced to provide a minimum

them through collective bargaining. But existing laws were designed to suport the settle-ment of disputes by volun-tary means, including con-ciliation and arbitration.

workers unable to obtain

"No sensible Government Minister, employer or trade unionist can be looking for another battle over industrial relations legislation. But the TUC cannot give up hard-won union rights."

There was room for im-provements in industrial rela-tions, said Mr. Graham, but these could be brought about only by action which had the support of workers, unions

and managements. "Legal interference in industrial relations will not help to deal with these issues. Indeed it could set us right

ASTMS seeks 30-hour new technology week

BY OUR LABOUR CORRESPONDENT

The ASTMS executive will

support a detailed composite motion which calls for a national campaign to protect employees against the possible impacts of new technology on employment. In addition to reduced working bours it demands:

Manpower Services Commission and industrial training boards of the effects of the

expenditure to give more a breakdown in the area's improved education and social services facilities.

Writs have been served on the University of Birmingham claiming damages arising from the smallpox oulbreak there last year, ASTMS said yesterday. They were issued on behalf of

A PHASED reduction in the Writs were also issued no working week to a target of 30 behalf of 14 members of ASTMS boars to help meet the social employed by the university, for challenges of new technology alleged inconvenience and will be demanded at the Asso-damage caused by the outbreak ciation of Scientific. Technical Mr. Clive Jenkins, general secral will be demanded at the Asso-ciation of Scientific. Technical Mr. Clive Jenkins, general secre-and Managerial Staffs confer-tary, said the TUC was asking ence in Blackpol next week. the Social Services Secretary. Mr. Patrick Jenkin, for a public

Unions attack health cuts

HEALTH SERVICE unions io emands:
Statutory provisions for a minimum of five weeks' holiday, sabbatical leave after seven years and lowering of South Glamorgan Health seven years and lowering of the retirement age to 60;

A joint examination by the from the Treasury's cash limits control on public expenditure. The threat was issued yesterboards of the effects or the application of micro-electronics with special reference to retraining:

Improved redundancy payments, and increased public ments, and increased public micros all claimed it could mean a breakdown if the pray's day after the authority decided health service.

bene

Strike effects

A SIX-WEEK strike at the Stanley, Co. Durham, factory of Ever Ready has cost the company production of 100m batteries, half of which were 11! per cent pay offer.

prices following the Conserva-live Covernment's decision to serip the Price Commission, has the big companies in bread pro-duction had closed some bakeries, and jobs had been lost given the "green light" to a price increase "spree," it was claimed in the Commons yesterin the industry. In addition, the industry bad already been subject to detailed scrutiny by the Monopolies and Mergers Commission. In the shortest clash of the She said account had to be taken of the need to protect the viability of the two companies

Bread price increase

angers Labour MPs

BY JOHN MUNT, PARLIAMENTARY CORRESPONDENT

nev Parlingert, Mr. John Presen, who was Menster for Consumer Protection in the Labour Covernment, Jameshad a litter attack on fire. Sally

THE 2p increase in bread

Concenheim, the Toty Consumer Affairs Minister.
He was backed inp Wy a character protect from Labour backbonchers who were capty at the decision of the two big His re-election will come as a -relief to Mrs. Thatcher, who in the vital role of 1923 chair-man, where he will act as a bakers. Rank Hovis McDougall and Allied Bakecies, to put 2p link between the Government no a standard leaf-an increase which had been frozen by the. His defeat would have been

Commissiao. taken as a victory for the left But Mrs. Oppenhelm shouly of the party and As an ominous sign of party defended the Government's onelsion on the ground that it was necessary to restre profitelection, Mr. du Cann thanked colleagues for the trust put

in him and said he bure ro It was right to have lasves brenght out openly in this He then referred to events carlier this week-publication

Wrapped in Tory election

Mr. Fraser claimed that backing to the Tory Party for shiley to breed production and ment. Mrs. Oppenhelm had thus save thousands of bakery cassed to be a spokesman for lost. Price centrals cannot pre- The bread price increase year day furner increases - could lead to price rises in other they can only delay them, and sectors which were concutrated at the same time threaten the in the hands of a few com-vicibility of the companies con-panies, such as oil, the brew-cerned, she said.

and to preserve jobs.

The present Government, unlike Labour, was equally concerned about both prices and jobs. Under Labour, she said, bread prices had rised by a total of 160.

According to Mr. James Well-beloved (Lab., Erith and Cray-ford), it was "the blggest scan-dal" of the new Government, He alleged that the housewife was now being asked to provide the first "payoff" as a reward to those who had given financial

But Mrs. Oppenheim told him that what was really deplorable was that the British housewife had faced increases io food prices of 120 per cent under the Labour Government.

These increases had been a prime example of the futility of the operation of the Price Com-

Contenant law reform promised

ing my own-reply in my out the many of the

the whistle when it is blown and not get sent off the field."

a measure.

he did not believe the meddate of the electorate gave the

EEC funding curbs sought

HOSPITAL WORKERT which for the first of the digit to deal with awar gencies are to be subject to the countries the Commons are in the Commons and the first plant the problem of the Commons are incomed to be subject to the Commons are incomed to be in the first plant to the plant

whistle, declared the Lord Chancellor. "If we believe in the rule of law, we must accept

The Lord Chanceller made no mention of any proposal to bring 10 a Bill of Rights to ensure the subject. In the past he has been the main advocate of such Nevertheless, he stressed that

present Government an automatic right to get all its pro-From the Labour front bench, the former Lord Chancellor, Lord Elwyn-Jones, said the wid lest of the new Govern-ment would be the way it dealt with public expeoditure, par-

September 30 deadline for comprehensives

BY MICHAEL DIXON, EDUCATION CORRESPONDED.

OUTSTANDING SCHEHES for Thatcher, as Secretary for Physicand comprehensives now eater fully comprehensive schooling extrem and Science to publish for 55 per cent of the relevant not yet approved by central on effectively similar reprieve panils.

Government will be shelved for granular and other stoor. The surreveiling of compre-

to proceed with the plans. The deadline, affecting 29 of required only a Covernment But it is open to local authorities in England and Wales. I Labour Covernment the part of the brief Education But then reserved to localisation to them, even if their merger into multiched vectories as the

heasing, the Bill was put before Compared with about 1,000 cancing 31 local authorities. Parliament just 14 days after the general election.

When the Conservatives lost about 300 are still in enumerous system, but Bolion has already

regained power in 1970 it took. The selective schools days been become an exception by resokonly 12 days for Mrs. Margaret schools in 44 local authornies. 175 its approved scheme.

unless the local councils cup- damy schools which attest their hersive whomes to resurrect cerned apply by September 20 pupils by rendering ability. in 1970, however, the move be permitted by the new Bill.

part of the brief Education 3:0 the published yesteria; as the Government's first piece of legislation.

Intended to repeal the clauses of Labour's 1973 Education with intender part of the content of t

former grammar schools will not

grammar schools. Most of the others are expected to follow Conservative control.

Approximately 250 other such had caused the Labour Government to order them to submil comprehensive plans under the 1978 Act. Of these, Essex has annothered that it will retain its eight

suit because they are under One ecrtaio exception is Tameside in Greater Manchester which, when Tory-controlled in 1976. won an appeal in the House of Lords to retain its five grammars. The newly elected Lahour council has now stated that it will proceed with the

comprehensive scheme required

under the Labour Act.

Other possible exceptions are school; are maintained by the Birmingham with seven 29 local authorities whose grammar schools. Kirklees (two) and Walsall (two), which are under mixed political control. · Calderdale in Yorkshire, with seven grammars, has a Conservative majority of two, one being the mayor and the other an independent councillor. The rest of the 29 authorities. with the balance of about 220

selective schools, are: Avon, Barnet, Berkshire, Bexley, Bromley. Buckinghamshire, Cumbria, Derbyshire, Devon, Dorset, Enfield, Gloucestersbire, Hereford and Worcester, Keut, Kingston-upon-Thames, Lanca-shire, Lincolnshire, North Yorkshire. Redbridge, Salop, Sutton, Trafford, and Warwickshire.

FINANCIAL TIMES REPORT

Friday May 18 1979

Steel Coating at Shotton

Europe's largest coating complex

By Roy Hodson

nent

AFTER FOUR years of heavy losses the British Steel Corpora-tion will start to harvest some of the fruits of its investment programme this year.

The £45m complex at Shotton, North Wales, for finishing strip steel with metallic and organic coatings, is to be opened today by Lady Villiers, wife of Sir Charles Villiers the chairman of the corporation. series of coating lines has been brought into production quickly and smoothly and is already a highly productive unit.

Scotland, the new deepwater iron ore terminal and the direct reduction plant at Huoterston is being prepared for formal opening in the near future. On Teeside, the 10,000-tonnes-a-day blast furnace—the biggest io Britain—will he lit this summer to provide the keystone to a £400m investment on the south bank of the Tees that provide some of the cheapest iron made anywhere in Europe.

In round figures, British Steel has experienced a £3hn cash flow during the period 1975-79, . £1bn of money has disappeared in trading losses. The other twothirds of the money may prove to he the salvation of the business. For It represents the

biggest capital investment programme ever undertaken in lron and steel hy a European

As the world steel market continues to look better and brisker (even the depressed producers of Western Europe look forward to exchanging losses for profits this year), the British Sleel Curporation financed by the taxpayer, it should be said—is in a specially favourable position.

It is completing its massive investment cycle involving expenditure of more than £500m a year at the very time wben the markets are improving. The other steelmakers of Europe are now thinking about new investment to match the prospect of bigger and more profitable markets in the 1980s. But they are hesitant and are now finding it difficult to persnade the financial world that the iron and steel industry can provide a reasonable return upon capital in the future.

Plans

To satisfy the rapidly increasing demand, British

Steel-already a world leader in the new generation

of coated steels-has opened a £44 million plant at

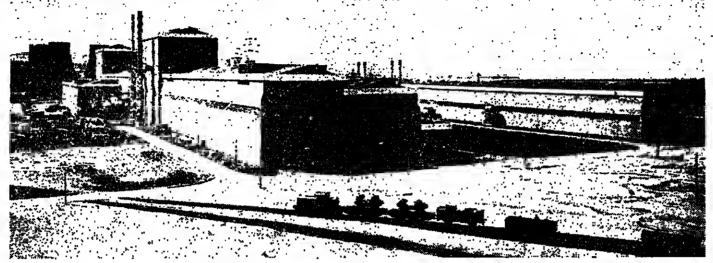
The new plant, Europe's largest, further boosts

Shotton, North Wales.

The new UK Government is known to have plans for British Steel: plans designed to ensure that the taxpayer will not be responsible for further annual ranging as high as £440m a year on what is, after all, supposed to he a dustry, not a State service in-dustry. Yet, equally clearly, British Steel if properly managed can put its expensivelywon new production facilities to excellent use during the next few years. Conceivably it can. become the envy of other European steel companies which are soldiering on with ageing equipment and are imable to engage first gear for new investment

British Steel is hig hy world standards. Indeed, it is the

The European market for coated steel is continuing to develop at a faster rate than steel usage, overall. Today's opening of the £45m complex for coating steel strip at Shotton Works, Deeside, North Wales, marks a major step forward in a strategy to win back strip steel business to British Steel.



The new development at Shotton adds 500,000 tonnes a year to the plant's capacity for coating strip steel

Shotton coatings lines-

learn about marketing its pro-

ductive capacity of some 22m are being made by the manage-tonnes of liquid steel a year. It ment to redress the balance and ranks immediately after Nippon Steel (40m tonnes) and U.S. Steel (30m tonnes).

British Steel is also well equipped now that the new plant is being brought into use. £2hn expenditure since has brought what Sir Charles Villiers, an old soldier, likes to call "excellent kit." On the debit side of the

ledger. British Steel's produc-tivity is still poor. There are many more unions represented in each British Steel plant than in a comparable plant on the Contineot, Most observers bethird largest steel company in main obstacle to greater product and businessman, has shown his now the most wide-ranging from their production lines by

Nowhere has British Steel sufto cut out wasteful lahour pracfered more from competition tices. All the plants recently than in strip products (flat-rolled steel sheet) which is the commissioned - including . the speciality of the Welsh Division. been manned, after hard bar-Competition for sheet sales is gaining, to the most rigorous severe and British Steel has been international manning stan-dards practised in world steellosing more than half its home market, at times, to imports.

Shotton's new coating lines Another problem for British are the crucial pieces in a strategy designed to win hack strip steel business to the British Steel is that the corporation's management has still much to Steel. The new investment in ducts. The grand tradition of zinc coating lines and in lines Britain's steel masters has been for coating strlp steel with in steelmaking, not steel sales- paints and plastics enhance an manship. To his lasting credit, already considerable coatings already considerable coatings lieve that is the corporation's Sir Charles Villiers, a banker complex at Shotton. The site is

complex for coating steels to be found anywhere in the world

and the largest in Europe. It gives added muscle British Steel's previous investments in zinc coatings, in paint coatings, and in tinplate production. in South Wales, Manufacturers who use sheet steel-in particular makers of

vehicles and domestic appliare increasingly anxious ducts and thus are showing a growing readiness to consider using sheet steel pre-coated at the steel works. Some domestic

manufacturers now manage to eliminate paint shops eotirely

using British Steel sheet precoated with paint or plastic finishes. The car manufacturers are turning to steel coated with zinc on one side in order to reduce the onset of rust inside doors and body panels. In Britingture, they may well opt for close to steel vincented on both cides. steel zinc-coated on both sides, or otherwise finished with a tough protection.

Exports

The ability to coat large quantities of strip steel with quantities of strip steel with in the corporation could not he zinc. paint. or plastics, is relied upon to deliver special British Steel's high road back qualities of steel to Shotton in to winning a dominant share the right quantities at the right of the British strip steel market

and increasing its exports.

Now that the new Shorton production, British Steel will be able to coat in various ways more than one-third of its total strip steel output of some 8m tonnes a year. That is a proportion of coated finishing to strip steel production that cannot he matched anywhere else Europe by a major producer. It is probably unique in the

British Steel can make ahout .2m tonnes a year of tinplate .fter completing recent investment projects to modernise its facilities in South Wales. With the introduction of the new coating capacity to produce organically coated steel (paints and plastics) and zinc-coated steel, rises from 1m tonnes a year to 1.5m tonnes

works, sited on reclaimed Dee estuary marshlands, is Itself a curious animal. could he likened to a new Porsche fitted with a Model-T Ford engine. The steel finishing and coating lines are among the hest in the world and are highly efficient units, economically manned. But 5,000 of the works 10.000 lahour force works on the

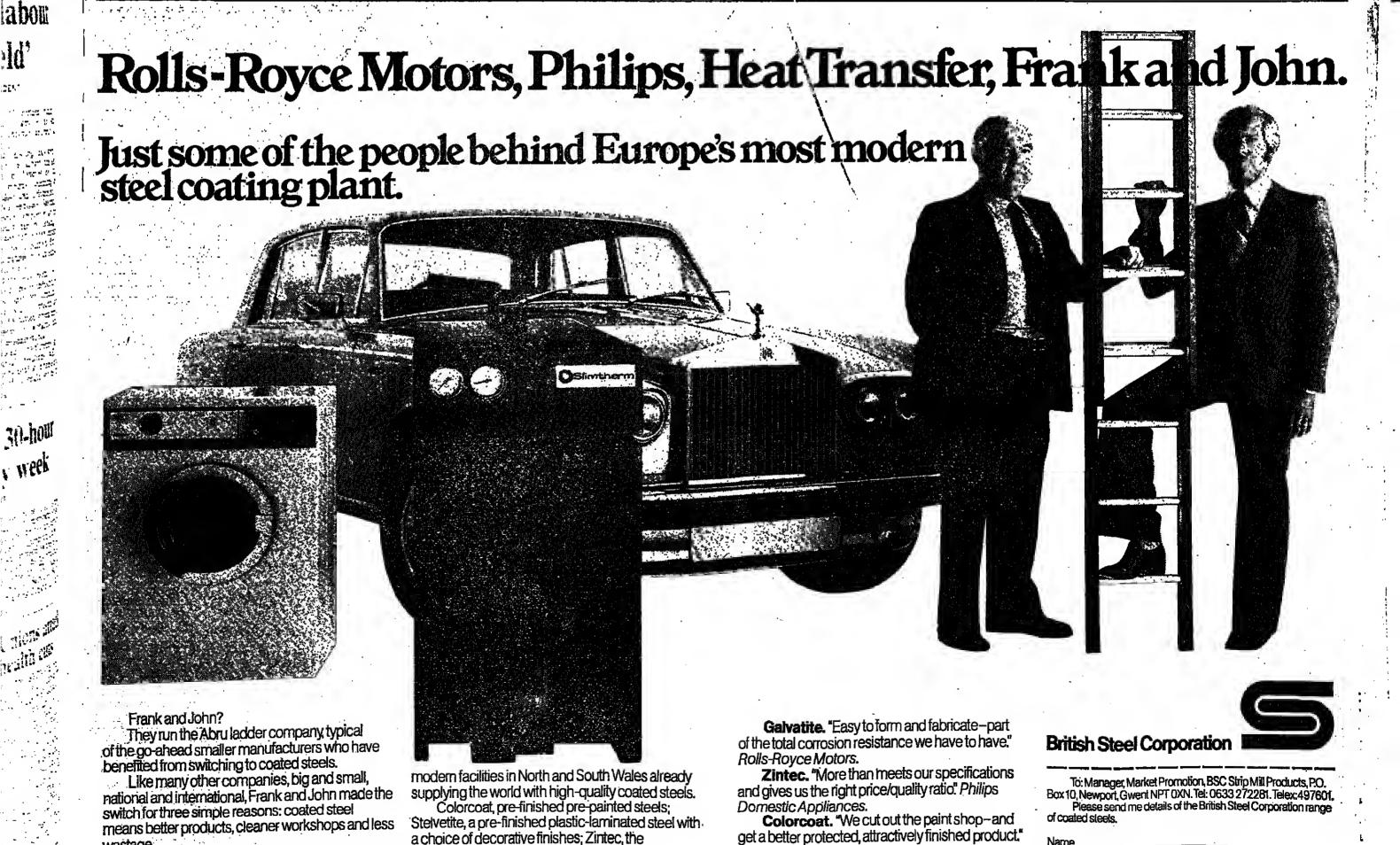
making steel at such a high unit cost that the works has virtually no chance of making an overall

British Steel would like to close the Shotton steelmaking side and provide the finishing lines with steel made at other works round Britain. workers at Shotton—a tight-knit clan fiercely loyal to their plant rather than to British Steel-ridicule any such plan, They say that the other plants time. They have a case. British Steel has not shown itself adept at inter-works co-operation.

Mr. John Powell, the director of Shotton, has spent nearly seven years managing the development of the new ings complex. Shortly, he is to move to another corporation post as director of the Associated Products Group. successor will take over what is prohably the world's best coat-ing complex. The corporation may decide to feed Shotton with steel made elsewhere in Britain. Or it may be encouraged (depending upon the political and economic climate), to consider anew the provision of modern steelmaking at the works, so that Shotton can continue as a full integrated steel-works. The second possibility is remote but it exists.

Six months ago morale at Shotton was sagging hecause of the threat of early closure to the iron and steel side. The sparkling performance of the new coatings investment has transformed the atmosphere about the place. The success of the coatings scheme and the support it is being given by the underlines point that a steelworks can he

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merly reserved for steelworks much wider area embracing expansion, a group of factory parts of Merseyslde also could buildings is beginning to take shape. Some of them are occupiers; others are still at the steel skeleton stage.

The Deeside Industrial estate, as the complex-alongside the main road into North Walesis known, is a reminder that even with the latest investment Shotton, the area is faced with the formidable task of finding large numbers of new joba to cope both with existing levels of unemployment with possible major reductions in the work force yet to take place at Shotton

The new finishing complex consolldstes the position of Shotton—John Summers works before nationalisation in 1967as one of the most important centres in the world for the production of zinc, plastic and organic psint-coated steels. Total annual capacity in all these products—widely used by these products—widely used by the motor, domestic appliance, building and other industrieshas now been lifted to more than 800,000 tonnes.

The shsdow which remains over Shotton, however, is the possible closure some time in the 1980s of the iron and steelmaking plants, employing about half the 10,000 workers on the site. British Steel, which already has closed a large number of older works inherited when nationalisation took pisce, announced in 1977 that no decision would be taken before 1982.

After that date it is likely that Shotton's heavy end will he closed as part of the policy of concentrating production st five coastal sites chosen for msjor investment. Shotton's finishing complex would then be supplied from another works, prohably Ravenscraig in

Ever since the closure prowas first mooted in a White Psper in 1973 there has been strong local resistance, and

Corporatioo's effect on jobs in the immediate Shotton Works, on land for- area, but the spin-off effect on a

"lwyd itself has 9.6 per cent already fitted out by their first male unemployment, exceeded in Wales only by neighbouring Gwynedd. In the Deeside area, Fortunalely for the where three-quarters of the labour force live, British Steel provides 22 per cent of all jobs. About 11 per cent of the workers at the plant come from Chester and a further 6 per cent from Merseyside, with the remaining 10 per cent commuting from Wrexham.

Loss of steelmaking would also have knock-on effects in other industries and among suppliers. The 700-man Bersham Colliery near Wrexham—one of only two remaining mines in north-east Wales — supplies coking coal to Sbotton and it might not be economic to trsnsport the coal to more distant steelworks. The loss of revenue from iron ore imports might also jeopardize Birkenhead

Against a background of changes in world trade patterns and cargo-handling methods. Mersey Docks and Harbour Board is already finding it difficult to utilise its existing dock capacity on the other bank of the Mersey st Liverpool. At present about 100 dockers are employed on iron ore bandling at Birkenhesd out of a total of 800 in the port

Problem

Within the immediate area the loss of steel-making jobs would come on top of an earlier cutback of ahout 2,000 in the finishing complex at Shotton from 1974 on, and at a time when more achool leavers are joining the search for jobs as s result of inward migration into the county of Clwyd during the more prosperous 1960s and early

In Deeside itself one of the other main industries, textiles, has also been contracting. The area has been one of the main UK bases for Courtaulds' prothe idea that the closure is duction of the cellulosic wood-Inevitable is still far from gain- pulp-hased fibres, viscose and

NOT FAR from the new £45m ing even reluctant scceplance. scetste. With the market for colour coatings centre at the Tha main concern is over the these fibres being eroded both libres, Courtaulds has scaled down production. A total of 2,000 jobs were lost hetween 1972 and 1976 and the more recent closure of the company's Castle works at Flint has cost

> Fortunalely for the area, the other main pillar of the economy, the aerospace aerospace economy. industry, is more buoyant. The Broughton works of British Aerospace (a former Hawker Siddeley factory) manufactures the best-selling HS125 executive jet, and the wings for the successful European A300 and A310 Airbus. Though some johs have been lost as a result of rationalisation at Broughton, there is now the prospect of an expansion of possibly 1,000 jobs, many of them in skilled trades.

> Clwyd, like other older industrial regions in the U.K., finds itself faced, therefore, with the task of bridging the gsp hetween two different eras of industrial employment — the older labour-intensive processes of steel, coal and textiles, and the newer, much more espitalintensive processes which bave taken their place.

> Mr. Wayne Morgan, Clywd's industrial development officer, says: "In terms of capital, Isnd. educational back-up and other iofrastructure service, new industries make much grester demands than those they are replacing, yet the contribution they make in jobs is far less."

> Clwyd's approach to its particular set of problems has been first, to resist resolutely any implicit scceptance of closure of steel-making at Shoton and to contioue pressing British Steel very strongly for further investment. The principal argument has heen the commercial risks which, it is claimed, the corporation would run in shutting down steelmaking st a works which has a largely unblemished record of industrial relations, a string of performance schlevements to its credit, and strong loyalty hy its customers.

Supplying the works with hot-rolled coil from Ravenscraig would leave the corporation and its customers vulnerable to labour disputes at the Scottish plant or on the rail network, apart from any other problems which the 200-mile journey might create. In turn, any supply in other parts of the county markets of north-west England mains the key. problems would encourage such as Rhyl (where male and the Midlands, customers to turn to overseas unemployment is 16.7 per cent). At Deeside Industrial Park, might create. In turn, any supply

The location of the British Steel Corporation's Shotton Works at Deeside, Clwyd, North Wales

eventually jeopardise the finishing operations at Shotton.

Instead, the county is arguing that. Shotton should he considered s special case for investment alongside the five major steel centres already selected by British Steel. Retention of Sbotton, it is argued, would give the corporation a plant espable of reacting flexibly to customers' regnirements in a way the other hulk output plants would not he sble to achieve. Shotton itself has the capacity currently to produce more than 500 different

Whether this line of argument three years but in the meantime the other element in the county's industrial strategy— attraction of inward investment —is proceeding and, indeed, pro-

on Wrexham, badly affected by a reduction of about 80 per cent most recently, Kelloggs, which to be encountered, has made Wrexham the main

which bave heen encouraging.

A buoyant level of demand for small to medium-sized units has resulted in all advance factory apace in the county being taken 20 factories ranging in-aize from up and at present svailable 3,000 to 25,000 ag ft are curscommodation is limited to rently being built. major units that have been vacated, such as Courtaulds' Castle works.

A nsw allocation of advance factory accommodation to the county has been made by the Welsb Development Agency, but until this does become available the county bas the task of making sure it maintains the will succeed is not likely to interest of potential developers become clear for another two to in Clwyd as a location.

Expansion

.. In total, according to Mr. Morgan, 70 new companies have come to the area over the past The past 10 years have seen two years, while 30 indigenous a major concentration of efforts ones have also expanded their operations. Though the reasons for moving vary from company mining jobs since the late to company, the county evidently Important employers is benefiting from the preferattracted to the town have in- ence among industrialists for cluded BICC, the cahles group, smaller communities rather than Firestone, the tyre and rubher blg cities, where lahour and products manufacturer and, other difficulties are more likely At the same time Clwyd has

manufacturing centre for some the advantage of being close to of its breakfast cercals. major ports, airports and the of its breakfast cercals. major ports, airports and the However, the rise in un-main motorwsy network, and is employment on Decside, and well placed to serve the major of steelmaking at Shotton re-

sources of supply and might has now made necessary a much next to Shotton, BSC Industry, eventually jeopardise the finishing operations at Shotton.

which base heen encouraging vestment to steelmaking areas, which base heen encouraging to steelmaking areas, which base heen encouraging to steel the steel areas. has allocated 55 acres to the Welsh Development Agency for advance factories, where about

BSC Industry itself is developing another part of the site with factories for sale, and, seconding to Mr. Peter Summers, its director at Shotton, so far has obtained firm commitments for factories on 10 plots ranging from one to nine acres in size with a total job potential of 800-1,800.

Many of these jobs may not be available until some time after incoming companies have set up operations, a point which serves to emphasise the effort now required to create even a few jobs. Yet, as has happened already in steel and textiles in Decside and coal mining in Wrexham, hundreds or some times thousands of jobs can he lost with one decision.

The efforts by the county, hy British Steel, the Welsh Development Agency and other agencies are heing undertaken nevertheless amid signs that the demand is there. Given growth in Britain's economy, and the avoldance of further big closures, Clwyd seems likely to continue making inrosds into its jobs deficit. However, the fature

Rhys David

CONGRATULATE

Bronx Engineering of Lye, Stourbridge are proud to have been associated with this new development by supplying a Bronx Flying Shear Coil Cut-Up Line.

Bronx have taken part in many other areas of the B.S.C. development programme, having recently supplied major items of equipment to:-B.S.C. Stainless, Shepcote Lane.

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B.S.C. Hartlepool. B.S.C. Stocksbridge. and in the last two years have supplied: A Colour Coating Line to Rautaruukki Oy A Tension Levelling and Pretreatment Line

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Complex at Shotton Steel Works.

The Bronx Engineering Company Limited, Lye, Stourbridge, England DY9 8DS. Telephone: Lye (0384 82) 4141. Telex: 338090. Cables: Bronx Lye Stourbridge.

Plant's capacity doubled COATED STEELS have been a system used on a European line. coating, and it is also tested by Dee marshland. There is room speciality of the Shotton Works Paint is supplied from a paint mechanical methods to ensure in the lay-out for three more from the early days of its owner. "kitchen" where it is mixed that it is tightely bonded to the lines to be huilt if market

hy the Summers family.

began there in 1896. In the application. 1960s, painting of sleel on a galvanising line was introduced. rolls, it is oven-dried and cured. was morketed as Galvaprime. Meanwhile, in 1955, the com-

a week of that product which provides resistance to corrosion ing head is being cleaned and during fabrication of the steel. the paint changed. The most adventurous Sum-

swamped temporarily 10,000 inquiries.

centre for their expanding businew Zintec line at the works ness in coated strip. In South mare than doubles capacity to Wales, the process of coating some 330,000 tonnes a year, coil is directed to its own hay strin with paint at the steelzinter is an important product on a grid. Control is by a comworks was already being to the corporation for it is heing puter. developed and was given the trade-name Colorcoat.

Powell arrived at Shotton, in surfaces is required. 1973, as director of the works, a policy decision was made by the BSC board to make a major capital investment at Sbotton In modern lines for all the major processes—the two forms of galvanising, and Colorcoat paint and plastic finishes.
Ultimately, the cost of the

three new lines was tn rise, with inflation, to £45m. The plant's coatings capacity has been doubled to more than 800,000 a year and it now has the widest coated products range of any European steelworks. The new lines complement

four existing continuous hotdipped galvanising lines, two Zintec electro-zinc plating lines, and a Stelvetlte plastic coatings laminating line. About half of Shotton's 20,000-tonnes-a-week (or more) output of sheet steel is now heing sold in coated

gest producer of organic coated steel strip. It adds to existing colorcoat capacity at Bryngwyn, near Swansea, and Tafarnaubach, near Tredegar.

The line can coat strip steel cal furnace for strip elegation.

ing paints, including pvc, poly- that such a furnace has been esters, silicone polyesters, acrylies, alkyds, polyvioylldene fluorldes, and the American-designed Zincrometal process. Painting speeds are up to 100 metres a minute, Coils of up to 32 tonnes can he handled.

The strip stael is prepared for painting by passing through a series of processes including ray systems are used to deter-

under laboratory control to Hot-dipped sheet galvanising obtain the right viscosity for After the strip

A primer was added to the gal-vanised strip and the product ting down the line so primer paints are changed as infrepany began production of of alternative finish coaters for electro-zinc plating and, by the final layers of paint will 1960, was making 2,000 tonnes enable the line to continue working while one paint operat-

After the finishing oven, the investment in coated painted strip passes through an steels, however, was the intro- embossing stand. That equip-duction of plastic-coated steel in ment can apply decorative When Stelvetite was finishes to think paint layers introduced, the company was giving a textured effect to the with painted steel.
Shotton is the only British

The British Steel Corporation works making electro-zinc decided soon after nationalisation that Shotton was the logical Zintee by British Steel. The chosen as the base material for many consumer durables where At about the time Mr. John a light protection of interior

> The basic process to make Zintec is that mlld steel strip is electrolytically degreased and pickled in acid. It then passes through eight vetrical plating cells where the zinc coating is applied on both sides of the strip at the same time. Finally, the strip is either chromated or phosphated.

This is the first line installed by British Steel using the vertical cell system. One of the major advantages is that It eliminates the need for "down time" to change worn zinc anodes. It is also easy to adjust the anodes to suit the width of the strip being processed.

Every coated coil is then subjected to laboratory tests to make sure that coating atand-ards have been reached.

The new highspeed bot dipped galvanising line at Shotton is nne of the biggest in the world The new Colorcoat line makes and has already shown itself British Steel the world's higgest producer of organic coated put hy more than 1,000 tonnes

The line can coat strip steel cal furnace for strip cleaning with all the available coll coat and annealing the first time and annealing - the first time installed in Britain, Plant in Jspao, the United States, and Australia was studied before the final design for the line was

Samples are laken from incoming strip hefore the coils linc. Both wet chemical and Xthe first electrolytic cleaning mine the thickness of the zinc

steel strip: Finally, micro-examination,

tensile, hardness, and ductility tests are carried out to meet for galvanised steel.

About 10.000 tonnes of cold reduced mild steel strip in colls weighing up to 32 tonnes will be taken each week from the Shotton cold strip mill to the new coatings complex when the new lines are working flat out. A coil carrier fleet has been huilt to provide a shuttle service. It consists of three tractor units and eight trailers canable of moving 70 tonnes of coil on

each trip.
Most of the steel will come from the Shotton computer-con-trolled five-stand tandem cold reduction mill which is smong the most modern in the world.

More than 12.000 tonnes of coils can be stored alread of the three enating lines. A system has been devised whereby each

The new coatings complex is oused in blue and white pointed buildings on reclaimed

growth calls for extra capscity

Britisb Steel has made good use of its own products in the construction. Some 8,000 tonnes various oational specifications of structural steelwork was erceted to form the seven bays and four ancillary buildings of the coatings complex. The sides and roof of the huildings have heen clad in Shotton's own acrylic film coated product Stelvetite KG. Some 66 miles of standard width sheeting were used in the huildings. The European market for

coated steels in all forms is continuing to develop at a higher rate than steel usage overall. For instance, Colorcoat usage In Europe has risen from under 300,000 tonnes a year to some 700,000 tonnes a year during the 1970s. Now that Shotton is the acknowledged centre for British Steel coatings and can handle the whole range (except the speciality product, tinplate) there is confidence in the that this new development will be followed by others at the

Roy Hodson

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All set to capture new markets

MARKETS FOR coated steels by British Steel include o suede are growing rapidly in most of texture, a metallic effect, the developed nations. The simulated wood grain, and even reason is not hard to discover. an aluminium effect—which The painting of steel products is a time-consuming process, and when carried out on a manufacturer's production lines it is also an expensive one in terms of

A growing number of mannfacturers and constructors are discovering it can be cheaper and more efficient to use steel pre-coated at the steelworks. Galvanised steel bas been a popular material throughout this century and appears to bave a good future. Motor car

longer-tasting bodies. Electro-zinc coated which has a very thin coating of zinc compared with galvanised sheet is a growing favourite among apoliance manufacturers and is now found in mary washing machines and refrigerators.

manufacturers, for instance, are

now exploring its potential for

Growth

Manufacturers are still besitant about large scale usage nf the works-painted steels such as British Steel's Colorcoat range but all the signs are that this is likely to be a market sector with explosive growth in the

Finally, there are the true organic coating line at Shotton plastic-coated steels. Some are can be used also to apply the made by the Colorcoat process. using liquid plastic applied to So far, no decision bas been the steel speet. Others are promade to put Zincrometal

a finished decorative material. Diamond Shamrock. which is finding a bost of new nses in car interiors, office bad an important impact upon equipment, building, domestic the U.S. automobile industry furniture, even household doors and the European car makers

Although plastic-coated steel can cost up to four times as painting process by which a much as unfinished steel sheet, the mannfacturer can obtain rich paint can be applied to value for money. Some of the sheet steel on a production

might be said to be closing the competitive circle between steel and aluminium.

British Steel maintains a research and development laboraan expensive one in terms of capital fied up in equipment. Furthermore, the process involves outlay in safety and air cleaning plant to comply with bealth and safety at work regulations in many nations.

A growing number of mannager, is leading a programme which has survived unscathed despite British Steel's recent cuthack on research and development laboratory specialising in coated products next door to the Sholton steelworks. Dr. M. A. Adams, the manager, is leading a programme which has survived unscathed despite British Steel's recent cuthack on research and development laboratory specialising in coated products next door to the Sholton steelworks. Dr. M. A. Adams, the manager, is leading a programme which has survived unscathed despite British and development laboratory specialising in coated products next door to the Sholton steelworks. Dr. M. A. Adams, the manager, is leading a programme which has survived unscathed despite British and development laboratory specialising in coated products next door to the Sholton steelworks. Dr. M. A. Adams, the manager, is leading a programme which has survived unscathed despite British

research and development.
The market potential of the coated steels in the 1980s is seen within the corporation to be so great that it is one research area where work must conlinue in order to keep a competitive

British Steel is one of the relatively few big. producers of organic coated steel (paint and plastics finishes) in the world to have successfully met the challenge posed by the highspeed manufacturing methods and the designs of the domestic appliance manufacturers.

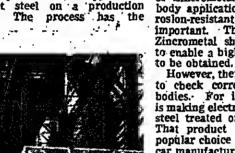
The Brst domestic appliances made from Colorcoat—sicel painted while in coil form—arc now starting to appear in the shops. British Steel rescarchers believe the Colorcoat plants will have proved their effectiveness if those products are not recognised by consumers as in different from any way appliances traditional way. British appliances painted in

American Zincrometal process. duced by the Stelvette method of laminating a plastic film to the steel with an adhesive.

The plastic sectors are promade to put Zincrometal steel sheet into production, although the corporation has held a ligence for all the plastic sectors. The plastic-coated steels are from the American inventors.

> But Zincrometal bas already are taking a keen interest in it.

Basically, Zincrometal is a primer and a top coating of zincspeciality finishes now offered line. The process has the



researchers in British Steel think the car-makers will bave to look for more substantial protection for bodies and chassis than either paint or thin zinc coatings. Rising energy costs are likely to dictate new poli-cies to ensure that cars become last longer without being attacked by corrosion.

The ultimate solution may be fully galvanised car bodies from hot-dipped galvanised sheet able to afford protection inside and out. British Steel would be well equipped to supply best-quality gal-vanised speet from its new Shotton line.

The trouble with galvanised sbeet is that it is difficult to obtain easily the high-gloss paint finish to which car owners have become accustomed during balf a century of sales room promotion. But it can be done. Porsche bas recently produced capacity and the flexibility a body completely manufactured from galvanised steel.

The advantage of galvanised



Coils of assorted coated products await despatch to customers from one of the stocking bays at Shotton

special advantage that the steel over other methods of treated sheets can be welded to steel protection is that the zinc secure a good joint without im-paring the effectiveness of the actually protect the cut edges of corrosion resistant finish. the steel from corrosion by Detroit manufacturers are means of sacrificial action. No

now uslog more than 1m tonnes of Zincrometal a year for car other coating offers that bonus Meanwhile, at Shotton one of body applications where a corthe most promising markets rosion-resistant inside surface is important. The other side of seen for coated steels generally is the construction business. The paint and plastic finishes are becoming increasingly popular for exterior cladding of build-Zincrometal sheet Is untreated o enable a bigh gloss car finish However, there are other ways However, there are other ways ings and for doors and other check corrosion in vehicle fittings. When coating steel for

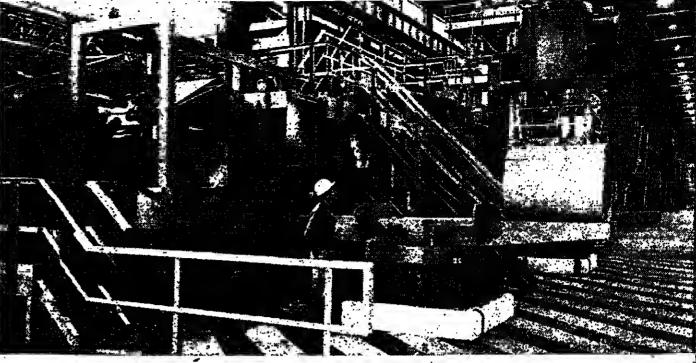
bodies. For instance, Sbotton exterior use British Steel preis making electro-zinc galvanised steel treated on one side only. fers to use strip that has already been galvanised. metal has a double protection popular choice among European for long life. car manufacturers.

Apart from the convenience of using pre-coated steels in industry and in construction, the health and safety benefits con-In the longer term, the steel ferred by the materials are likely to become an increasingly

important factor encouraging their use. It is much easier to contain and control the problems of inflammable or toxic fumes on a production line in a steelpaint shop. The new liquid coating line at Shotton has facilities for totally inclnerating

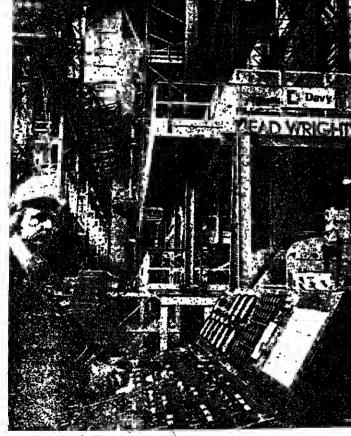
from the paint-drying operation. The heat gained is then used in another process on the line. British Steel is backing al. the borses in the coated steel race. Whichever form of coatings ultimately prove to be the most popular choice of consumers, the corporation will be able to supply. Having spent more than £100m altogether in recent years on a range of new coating lines, including tin-

plate, zinc. and organic cont-ings. British Steel has the capacity and the flexibility to



A coil of organic painted strip steel is moved off the turntable at the exit end of the No. 1 Colourcoat line in the £45m Coatings Two complex at Shotton

British Steel Corporation SHOTTON WORKS Welsh Division LEADERS IN EUROPE GALVATITE hot dipped galvanised Strip. ZINTEC electro zinc plated strip and plate GALVAPRIME hot dipped galvanised SHOTTON COLORCOAT organic Today marks the paint coated official opening of the new £45 million Coatings II Complex at Shotton which more STELVETITE work's capacity for coating strip steel to 800,000 tonnes a year, and establishes it as the p.v.c. or acrylic film coated premier coatings centre strip SHEFFELD



The entry end control desk on the No. 5 hot-disped galvanising line at Shotton

BSC did it in 3 weeks — thanks to Davy. New Head Wrightson continuous galvanising line at Shotton commissioned in record time. The new £14 million No. 5 line is one of the biggest and most modern. in the world, with a designed output of 4,750 tonnes of galvanised strip per week. It forms part of Europe's largest steel coating complex and was producing at full capacity just three weeks after commissioning. In addition to the galvanising line, Head Wrightson also supplied all the pay-off and tension reels for the Color Coat, Zintec and cut-to-length lines.

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Amsterdam exodus brings big market changes

Amsterdám May 17

Amsterdam continues, bringing hit. with it fundamental changes in

A combination of circumstances has brought office numerous smaller ones unwilldevelopment in the city's heart ing to go elsewhere. Just bow to a standstill, a trend which keen some companies will be to until now has been cushioned stay in the middle is underlined by a buge oversupply of space. hy the terms of some deals just Demand bowever is again rising. struck on one of the last new With lettable space in the centre bard to find and even central area, close to the Rijks internal refurhishment often museum. made difficult by controls many companies are heading for the

planning-development problem with its canals, narrow side Anneus Brouwer and the Realstreets and cramped buildingsmany of which enjoy a measure of protection because of environin lots at 350 guilders a sq. m.
mental factors. But there is no
—as much as 100 guilders above mental factors. But there is no doubt that the situation bas now reached a point which could have serious repercussions for ages of prime space. the bealth of a city which already has severe financial

The latest decision by the "anti car" city fathers to make vehicular access between the new inner ring road and the old docks much more difficult is being greeted as the "kiss of for the ceotre hy some and as a long overdue relief by others. It is hardly likely to do

There will clearly always be a property market which in the a useful office market in the last few years has become centre with sufficient large comaccustomed to wild fluctuations, panies anxious to maintain at least a presence in the area and prime office developments in the

The twin blocks sit on the edge of the new ring road and are on one of about six sites Amsterdam has always bad a once owned by the Philips Pension Fund and sold to Mr. credit German bank. The 16.000 sq. m. complex has been pre-let rentals recently achieved for anything other than small pack-

The development is just around the corner from another of the last prime sites in the centre, situated in Vijzelgracht in the banking quarter. Work is now under way—after a 15-year wait for a building permit.

But for many companies Amsterdam centre is no looger attractive. Agents such as Pierre Reuchlin of Ricbard Ellis say that, faced with a of them. shortage of modern efficient people lil

space is being rapidly provided. to under supply and nurturing

become the agents' darling with many organisations traditionally located in the centre of Amsterdam moving out to take accommodation. The AMRO bank for example is moving able against a take-up last year there to set up new head- of around 125,000 sq metres there to set up new head-

Apart from the prospects for freehold easily obtainable and more years. attractive to investors than the In Amsterdam's retailing 50-year leasehold — indexed sector the future looks enfurther in. Land is also space in prime, pace-setting generally no more expensive, so rental differentials are not as high as might be expected.

Other large space users, such as the NMB bank are going to places like neighbouring Bijlmermeer-opened up with the construction of a very expensive metro link due to run north to Amsterdam's central station and which so far has reached Waterloo Plein. Some "over-spill "locations such as Amstelveen are already virtually full. Areas such as Diemen are considered to bave only five

years further expansion ahead

It is, according to

Diemen high expectations of sound At present the Diemen high expectations of sound district is at the centre of a rental growth over the foresecconstruction mini boom and has able future.

Until much of the space in the suburbs becomes available this seems likely to be the case with only about 50,000 sq metres of inner city space now availand a recent average annual take-up of ahout 100,000 demand, development activity sq metres. Rental growth could encouraged because average about 10 per cent per purchases are more annum in the next two to three

Amsterdam's retailing ground rent deals often found couraging, with demand for streets like the Kalverstraat still fairly strong. Rentals of about 1,500 guilders per sq m are being achieved for average 100 sq m units though there is thought to be rather more space available than is widely recognised.

The sensational periods of

rental growth seen here in the past have given way to a steady pattern of increases which The prospects for property investment in the Netherlands are good with the weight of

institutional finance available for development going into Dutch property in preference to

THE EXODUS from central that few retailers expect to be where curbs on development decide trends in the inner area, tral modern offices and in some plan may be allowed to go Amsterdam continues, bringing hit are less restrictive and modern now moving rapidly from over cases even sharper returns have ahead. been achieved. The same yields are applicable to prime located shop properties.

> • PERHAPS the ultimate in planning delays in a city where such things are considered unavoidable is the story of the prison site close to the Leid-splein, a location which the inmates might not have appreciated but - which developers would readily take

Take on, that is if a permit for development was ever forthcoming. After no less than 18 years of discussions, although the prison has only recently fallen empty, the future of the site is still undecided. Final moves look as far away as ever.

The municipality wants to turn the area into an artsrecreational centre with theatres and restaurants and to include subsidised housing. A plan to lease the land to build five towers of interconnected flats and offices has been put forward hy Bonwes-Wilma, a joint financing-contracting consortium being advised by Richard Ellis but reaction has been distinctly

The chance that the city, whose coffers are somewhat less than bursting, may be forced by

• IT MAY have been a long hard struggle but after six years the last of the space is now being taken up in the Riverstate Hammerson-Boz office block which once looked like the biggest white elephant of all. Built in the early 1970s as the ultimate in modern, luxury office accommodation in the then somewhat less fashionable Amstel district of Amsterdam, Riverstate represented a joint investment by Hammerson and Boz, the property development subsidiary of Holland's largest insurance group.

The building—known by locals as Apenrots (monkey rock) came on the market in 1973, offering 27,000 square metres of space and failed to excite potential clients who may have been impressed with its facilities hut who were not prepared to pay the asking price for accommodation in such a questionable location.

Now, bowever, letting agents Jones Lang Woottoo say the shortage of office space in Amsterdam and rising rents bave helped to fill the building, which enjoys the company of such prestigious neighbours as Delta Lloyd, the Commercial Union subsidiary with a new headquarters just across the Amstel river. The last big let-ting, to American Express, was signed three weeks ago.



The Singer and Friedlander European Property Trust, a consortium of major UK pension funds, has acquired a shop

consortium of major UK pension runds, has acquired a stop-investment in Amsterdam's main shopping street for about £12m, providing a net yield of about 6 per cent. The property, 152 Kalverstraat, has been let for ten-years to a subsidiary of the Wallis Fashion Group—which bought the store, and the deal was then refinanced—pro-viding the chain with its first outlet in Holland. It has a retail area of about 3,700 square feet.

The trust's other properties in Holland include two shops in Eindhoven and an office building in Herengracht, Amsterdam, which is now being refurbished and which has been pre-let to the Amsterdam-Rotterdam Bank. Allsop represented the trust while Edward Erdman advised Wallis and Bolle en Compagnons represented original vendors, Focke



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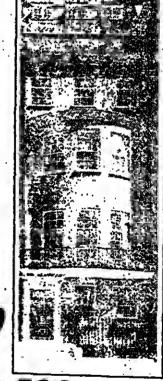
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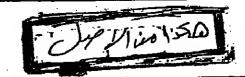
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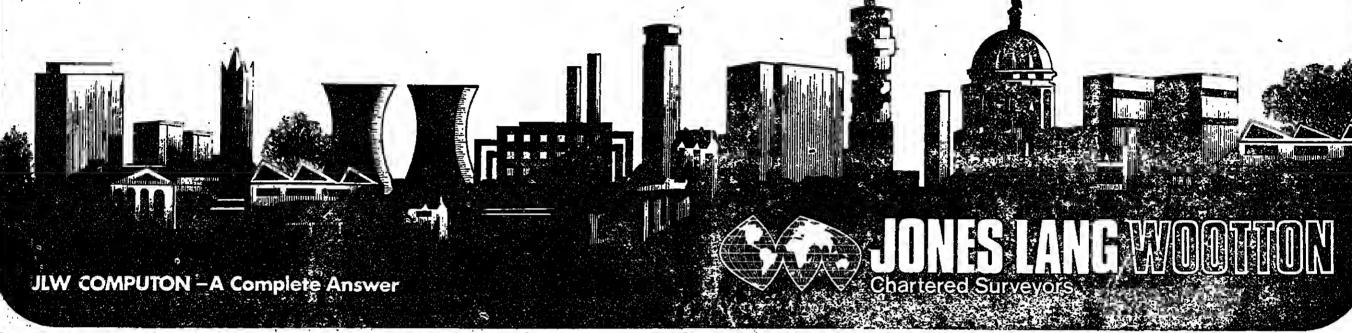
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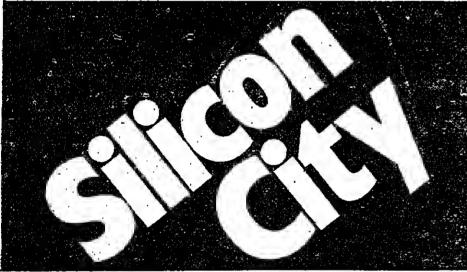
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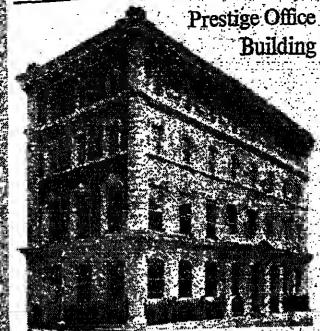
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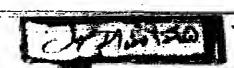
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Welker, Welton & Hanson, Chartered Survivors, Valuers and Americancers of Plant & Mochinery and grade stocks throughout the United, Kingdom, Nottingham—Sword Line, Tol. (19602) 4272; Plansfield 45 Stockwell Gotz, Plansfield 701; (19632) 32471; Molton Mawhen 77 Market Place, Plansfield Mowbray, Tel: 1968, 17945; Chancery Lane, London, 1972, Tel: 11-295, 6844, 74, 3 February, London, 1972, London ECZ, 01-638

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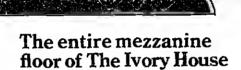
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12,400 sq ft approx, of general office space, carpeted and partitioned. Double glazing: stand-by generators.



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SAVILLS

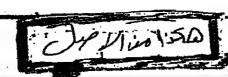
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Historiaddition to botel.conter
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we are seeking a tenant who would fit with the high standard of building.

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Sales representative of Southland Rentiv Company is in London until May 23 Contact Mr Louis Galper on 01-95 8982 (this number is an answering service lot a month). Southland Realty Company 3740 El Cojou Boulevard San Diego, California 92105 Telephono: (714) 284-8000

CALIFORNIA REAL ESTATE

THE FINANCIAL TIMES WILL PUBLISH AN 8-PAGE SURVEY OF INTERNATIONAL PROPERTY ON WEONESOAY 30th MAY 1979

Free Fact Kit on buying **U.S.A.** Real Estate

Investing in U.S. property? Get answers to questions about property ownership there.

CTI-Dominion Title Insurance Co. Ltd." 2 Theobalds Road, Dept. FT, London WC1X 8PF, England Subsidiary of Chicago Title Insurance Co., Chicago, Minos Please send me the free fact kit on buying U.S.A. real estate, and on title insurance. (Materials printed in English.)

APPOINTMENTS

Sir Henry Plumb to join Lloyds Bank

division will be merged into one division under the chairman-

ship and manuging directorship

Mr. T. W. Buckland and Mr.

W. T. Seward will be taken into-parinership with PHILLIPS AND DREW, stockbrokers; on

TRUST HOUSES FORTE has

made the following sentor appointments: Mr. Deants Hearn to be operations director, work-

ing closely with Mr. Eric Hart-

well, group chief executive. Mr. Hearn will be succeeded as

managing director. Trust Huuses Forte Hotels by Mr. D. Leach and Mr. C. Pecorelli, as joint managing directors. Mr. Leach

is at present managing director of the UK and Ireland division

of Trust Houses Forte Hotels and Mr. Pecorelli is managing director of the London and inter-oatinnal division of THF Hotels.

Mr. Philip Laycock has been appointed sales and marketing director of HILLS (PATENTS). Formerly the company's sales manager. Mr. Laycock is the present chairman of the Number Plaic Manufacturers' Association.

of Mr. Hardy.

SIR HENRY PLUMB has been LLOYDS BANK UK MANAGE-MENT LIMITED from June 1. Sir Henry, who is a Deouty Lieutenant of Warwickshire, is past president of the National Farmers Union and was formerly chairman of the Brilish Agricultural Council. He recently became a non-executive director of United Biscuits (Holdings).

Mr. Flon O. Melland has been Mr. Finn O. Meliand has been appointed chairman and Mr. Michael Cutyer, managing director, of GEISCO, the UK subsidiary of the General Electric Information Services Company, Mr. Meiland was previously managing director of Storno and Mr. Culyer was with Honeywell.

Mr. George Bell and Mr. Trevor Thomas have been appointed financial and commercial directors, respectively, of ADVANCE PLASTIC PRO-DUCTS, a subsidiary of Grest

Mr. Richard Sherras and Mr. Irving Slifkin have been appunited directors of Cl. UB 24, the joint subsidiary of Hepworths and Forward Trust. Mr. Sherras is general manager of Club 24 and Mr. Shrkin is chief internal anditor of Forward Trust, which is the instalment finance subsidiary of Midland Rank.

Mr. P. E. Hunter-Jones is being admitted to the partner-ship of VIVIAN GRAY AND CO., stockbrokers, from May 21.

Mr. Richard H. White, a vice resident of the FIRST president of the FIRST NATIONAL BANK OF MARY-LAND, has been appointed manager of the London branch.

Mr. Hugh Carey has been announted managing director of MANITOWOC (UK).

The underwriting arm of insurance group ALEXANDER HOWDEN has appointed Mr. G. K. Knight as underwriter to marine syndicates 944/945/949/
171, following the resignation of Mr. Keith Rust. This is to effect from June 1, 1979, Mr. Knight is to continue to underwrite for marine syndicate 831/832.

Mr. Rust is to form an under-writing managing agency with another ex-inderwriter of the-Alexander Howden Group, Mr. Patrick Salt. The former chairman of Lloyd's, Sir Havelock Hudson, is taking a part-time directorship in the new company.

Mr. L. R. E. Appleton has mr. L. B. E. Applicion has been made non-executive chairman of BRITISH MANUFACTURE AND RESEARCH COMPANY in succession to General P. L. Burckhardt, Major General D. E. Isles has been appointed D. E. Isles has been appointed to the Board, taking over Mr. Appleton's responsibilities as bead of the Milliary Product

Mr. M. C. Bollon has been populated chalrman of B. appointed chairman of B. FERTLEMAN AND SONS following the resignation of Mr. L. M. Fertleman as chairman and managing director. Mr. Fertleman remains on the Board and will concentrate upon the future development of the company and its products. Mr. P. G. Aylon has been elected managlng director.

Mr. Ivan K. Soll was appointed a director of MITCHELL COTTS GRDUP. He is managing director of Mitchell Cotts Limited, Johannesburg, embracing all Mitchell Cotts activities in Southern Africa.

Mr. D. Hanson end Mr. P. Hardy have been appointed ininichief executives of the ILLING-WOPTH MORRIS GROUP. The resunnsibilities previously attri-hutable to the operations executive will now be under-taken by the charman, Mr. I. C. Hill, and the ining chief executives. From the same date the worsted manufacturing, merchanting and clothing division and the woollen and cotton



Investing in North Sea and America off and gas production through

Viking Resources International N.V.

Listed on the Amstercam Slock Exchange.

The quarterly report as: of 31st March, 1979

has been published and may be obtained from

Pierson, Heldring & Pierson N V. Helengrachi 214, Amsterdam.

Donations and information: Major The Earl of Ancaster. KCVO, TD., Midland Bonk Limited, 60 West Smithfield

British Limbless Ex-Service Men's Association

We come from both world wars.

We come from Kenya, Malaya, Aden, Cyprus... and from Ulster, From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Survices. It helps, with advice and encouragement, to overcome tha sheek of losing arms, or legs or an eve. It sees that red-tape does not stand in the way of the right enlillement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in

peace and dignity. Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will

Mr. Norman Hampel has joined the MANAGEMENT RECRUITMENT AND EXECUTIVE SEARCH CONSULTANTS, SELECTION THOMSON, to run is London office. He was until recently personne! director of the Spar Group of fond com-panies in the UK. Mr. Brian Boker, transging firector. Autobor Vending Supplies. Brentferd, a member of the Amobar Group, has been elected chairmon of the AUTO-MATIC VENDING ASSOCIA-TION of Britain for 1979-80. Mr. Parry Turnbult of Polyvend, Thome, has been re-elected freasurer of the association for Mr. Cedric Brown, assistant

director of operations at BRITISH GAS headquarters, has been appointed director (construction in the production and supply division.
Mr. Edward Buret, a director of Brook Siteel Bureau, has been elected chairman of the FFRENATION OF PERSONNEL SERVICES.

a further year.

IMI companies.

Mr. J. D. Mountford has heen appointed director, metal procurement, for IMI, while Mr. J. B. Devlin has become manager metal procurement, Mr. J. F.
Tye has been made manager,
IMI contracts department, responsible for negotiating contracts for the purchase of major
selected items on behalf of all
IMI companies

Mr. J. B. Sherriff and Mr. A. K. Woods will join the hoard of COUNTY BANK on July 1. Mr. D. M. Cardate, Mr. A. J. D. M. Carda'c, Mr. A. J. Hennessey-Brown and Mr. R. C. King are appointed assistant directors from the same date. Mr. A. R. Deacon is to resign from the board on June 30 to become chief executive of an industrial investment company jointly formed by him together with Mr. P. C. Harris and Mr. H. R. Sykes, respectively chair-man and deputy chairman of HARRIS QUEENSWAY GROUP.

part of the MAPCO picture. This integrated energy company also produces and markets oil, coal, gas and gas liquids, retails LPG, liquid fertilizer and appliances and produces sonic instrumentation de-For a closer look at

Pipelines are only a

MAPCO's diversification end profitable growth, write for our current report.

lechnical Page

• PROCESSING

Aids recovery of useful materials

ECOLOGICAL Engineering has flushing or increased its waste-processing methods. This membrane will systems from Osmonics Inc., biological fouling. American company specialising in waste water treatment and reclamation of valuable metals the recovery and re-use of constituents of process streams.

An advantage of a system from Ecological Is that the comone company. This eliminates and separation of enzymes. the divided responsibility prohlems which can arise when input flow is not as critical as in other, systems, because the Hulley Road, Macclesfield, membrane can be cleaned by Cheshire, 0625 26238.

capability with reverse osmoais tolerate colorine, so chlorinated water can be used to prevent

Typical applications include from plating and photographic processes, separation of plating salts, reclamation of rinse waters for re-use, detergent replete reverse osmosis unil, in- moval, lowering total dissolved cluding the membrane, is desolids in waste water, juice con-signed and manufactured by centration in the food industry,

Ecological Engineering capable of designing the total plant incorporates a bought-in treatment system including any membrane. Another advantage necessary pre-treatment plant, is that control of solids in the pipework and tankage. Further from Ecological at

Sprays without polluting

trol, and solvent and acid re-sistant coatings, has unique handle resins without difficulty. physical properties but, unfor-Controlled spray pattern from dispense because it employs a highly corrosive acid catalyst.

using time-coosuoning hand lay-up, methods with all the environmental problems for the

FURANE RESIN, used Increasingly now in the UK for a wide
range of GRP applications in
corrosion prevention, fire conspecial corrosive resistant cata-

Controlled spray pattern from tunately, is very unpleasant to the gun, and the Venus low dispense because it employs a pressure airless spray, keeps pollution in the working area to Difficulty in finding suitable a minimum, says the company, dispensing equipment in the past had meant that laminating has bad to be done by hand, existing Venus units to be existing Venus units to be adaped for use with furane.

System bas been developed by Venus Products Inc., of Kent, Washington, U.S. but is avail-Mechanised equipment has able in the UK from CT low been introduced by CT (London).

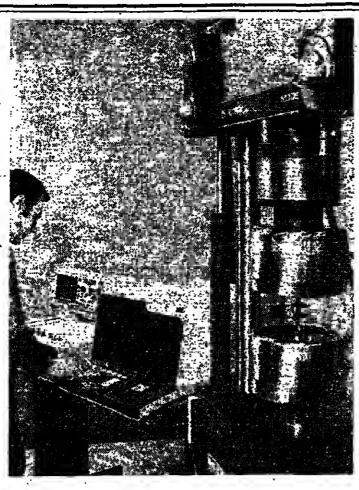
Fast marking and labelling quip Railway Overhead Vehicle from Permanent Way Equipment Co., Pweco Works, Lilling-

TWO developments are an- The company has in addition

the speed of the product and calculates the compensation the label on the product, irrespective of variations in the speed of conveying. As a result the label is always placed in approximately the same spot on the product.

Systems for improving the the Swedot 1100 ink overprintmarking of Items on tha move, ing system. This will print The Helix-Aire 23 for apply characters between 20 and 70 ing self-adhesive labels by jets mm by spraying ink through of air is equipped with micro- valves and nozzles, in various processor - controlled variable positions, without touching the speed unit which determines object, and while the object is in motion at speeds up to 1.5 metres/sec. Data input can be time for correct placement of from devices such is scales, routing computers, sorting systems or production control computers.

More from the company at 545 Ipswitch Road, Slough. (0753 32212.)



Computer controls tests

THE MICRO has made yet another appearance, this time in this Instron stress testing machine. Series 800, in which the forces applied to the specimen and the results obtained are under the microcomputer's

Two and four-column load frames are used with electrohydraulic actuators for cycling up to == 100 tons, fatigue rated load cells, hydraulic power packs and such accessories as extensometers, climatic cham-bers, bigh temperature furnaces

and many types of grips and Operation is made simple by purpose-designed input key-

MAINTENANCE

Lifts men up to the job

power and less disruption to ton Road North, Bulweli, Notnounced by Helix Labels and acquired the distributorship for tingbam (Nottingbam 279121).

Basically a powered rail trol-ley, it is fitted with a platform whose scissor action, effected by hydraulic rams, can raise it to a maximum of 5.65 metres. Platform also has a pusb button controlled cantilever extension giving a further reach of 1.65m which, says the company, enables work to be carried out over a wide span, and the adjacent Company says its products' railway track can remain open. will replace scaffolding (which

maximum load of 400 kg—ample bridge, tunnel and other over-for two workmen and their bead repairs) and in many equipment. Lamps are incor-instances, will eliminate the porated to allow for working in need for "works trains."

PROMISING a saving in man-tunnels and during the night. A hydraulically-powered lifttraffic is a maintenance and coning turntable is also incorporaversion vehicle called Permated to enable the vehicle to be moved quickly on to and off the track or to an adjacent track. It takes only four minutes to position it on the track, and three minutes to off-track it, claims the comnany.

used in conjunction with a visual display unit. This ter-minal controls the test set-up.

provides automatic calibration of transducers and then calcu-

lates and displays the selected

conditions, test parameters, measured values and derived

values in accordance with the

test program.
Programs are held on stan-

dard mini-cassettes and a

library is available covering

tensile and compressive tests.

high and low frequency fatigue

cycling, fracture investigation and block programming.

More from Instron on High

The vehicle can travel at speeds up to 15 km an hour (Mark 1) or 28 km an hour (Mark 2) towing trolleys of equinment up to a gross weight of 100 kg. With the platform extended, the vehicle is limited to travel at present speeds up to 5 km an hour.

Company says its products Main platform will take a usually needs to be efected for

Tells when a circuit is healthy

of modern logic analysis equip- prove extremely useful in Control is from a keyboard in or modern rogic augustos equip prove continued in conjunction with the screened oreot, Gould Instrument Division timing investigations. For eight conjunction with the screened has launched the 50 MHz input channels the frequency is menu. A moving cursor picks LA5000 which is entirely designed and made at the Hainault hits/channel and for 16 inputs location of the U.S.-based the speed drops to 12.5 MHz and company.

Operating in sample or latch mode the instrument can dis-play digital signals in 16-hit binary, hexadecimal, timing or graph formats and uses a displayed menu to help the operator select the appropriate parameters during acquisition, formatting and display.

memory capacity of one kilobit white on black, but highlights

the capacity is 256 bits/channel. This wider hus will be helpful in data-domain applications. Input levels can be selected

for use with TTL or ECL circuits and an additional variable input mode allows the instrument to be used with other logic lavels to ±10 voits. The analyser has a raster-scan display with a flat-faced cathode

Four input channels with a ray tube. Normal display is

Gas detection devices

PORTABLE electronic instruments supplied by Biomarine and combined combustible gas and oxygen monitors, and toxic Inc., U.S., whose engineers were gas monitors. NASA in the Apollo capsule,

The range offered includes monitors and alarms. oxygen chemicals, the system comprises deficiency monitors and alarms. a pump and range of tubes comcombustible gas instruments plete with carrying case.

as monitors.
Marketed also by Angus En- in Europe responsible for developing the life-support system used by tubes which are for sale under tubes which are for sale under label. NASA in the Apollo capsule, the Angus-Kitagawa label, are to be distributed in the UK (Japanese company Kitagawa by Angus Fire Armour (Dun-lop group), 10, King Street, measurement since 1946.) De-London, SW1 (01-930 6700). requirements of organisations oxygen instruments, oxygen involved in inflammable or toxic

Good view at night

PUT ON the market by Bofors objectives. These have fields of plate image intensifiers from be fitted if desired. Philips and mechanical/optical

built-in battery supply the ing of the image when bright weight has been kept to less light sources are viewed, than 2 kg. Total magnification is It is claimed that the tube

Aerotronics AB, S-181 81 view up to 9 deg and magnifica-Lidingo, Sweden, are eight view-tions of up to six times. An ing devices using micro-channel automatic television camera can

The devices are entirely pascomponents from within Bofors. sive, amplifying the natural star-NK-11-2 for example is a hand-light, moonlight or sky-glow held observation device em-from illuminated objects. Autoploying an all-lens objective with matic brightness control minia 17 deg field of view. With a mises operator dazzle or blooming of the image when bright

used gives the highest definition Larger instruments are avail-abla with catadioptric (mirror) pairs/mm.

Chlorine gas detector

AN INSTRUMENT called Tectafunie from Wallace and Tiernan cell which can be placed up to

100 metres from the electronics.
Three levels of alarm can be pre-set, at two, five or 15 microitres per litre and apart from lamps on the font panel, changeover contacts can briog into operation extractor fans, andible larms and valves to isolate the chlorine at its source.

Even after a prolonged and severe leak the recovery time of Tonbridge. Kent (0723 of the Instrument is only a few 364481) can detect leaks of minutes, with re-set by means chlorine gas using a detector of a button on the front panel.

The relays are arranged so that In the event of a mains failure they will close to an alarm condition.

Designed for a year's uninterrupted service without attention, the instrument is housed in a fume-proof case and measures 245 x 130 x 140 mm.

• DATA PROCESSING

London-Brussels link

BONDTRADE, an international Brussels are being maintained secondary market bond-dealing operation, now based in London, cbose a micro-processor approach to tackle the problem of transferring its on-line computerised dealing information system from Brussels. There was also a need to form a link between the London office and the back-office accounting function, remaining on machines at Société Générale de Banque in

Inter-Bond Services was contracted to supply a micro-based 64k byte "Data Terminals and Communications" Mk X system with a 10 Megabyte hard disc, twin floppy disc units, console printer/VDU and four remote

A synchronous communications port will provide the link, via a telephone line, to the Brussels computer.

The major software requirement, which had to be achieved in under three months, was the duplication of facilities provided the teleprocessing front-end of the Brussels 1BM 870 system. This part of the new system, which was operational on the first day of London doalings, enables the traders to maintain up-to-date prices and positions and to retrieve recent trading history in any issue, on screens bullt into the dealing desk. The system also calculates the Bondtrade Index."

In view of the short timescale, implementation of the telecommunications link has not yet taken place, and in the meantime, communications with

hy telephone and telex. Once the necessary modem equipment and telephone lioes have been installed, which is expected sbortly, final testing and implementation of the communications software can take place.

Immediate objectives of protecting essential commercial functions have been achieved and priority is being switched to the implementation of on-line research. To this end, Bondtrade is acouiring a part of Inter-Bond's bond price and yield history. This will provide a start for continuing bistory accumulation through data-capture from the trading operation. Programs have been developed to enable on-line searches to be performed on varied criteria as an investment advisory aid. Inter-Bond's experience in the micro-processor field also includes a specialised application in the offices of a leading stockbroker and an in-bouse system, which went live in October last year, which handles the production of the Financial Times daily Eurobond price and yield columns.

Inter-Bond Services is part of the dataStream group. City supplier of computer-based information and computer

 By ogreement between the Financial Times and the BBC, information from The Technical Page is ovailable for use by the Corporation's External Services as source material for its over-seas broadcasts.

PUTTING UK design ability per channel, coupled with the or parameters for selection are very much on the map in terms high speed of 50 MHz should picked out in raverse video.

LA5000 is driven by a microprocessor and contains four separate stores-for data capture, current memory, reference and video display. One of the menu choices allows the contents of current memory to be transferred to the reference memory, compared, searched for coincidental sequences, or the two to be offset against each

COMMUNICATION

FIRST EDITION of the Eurodata Foundation yearbook bas been published, setting out the data communications services in 18 countries together with details of the Nordic Data Net-work and Euronet.

Information has been provided direct by the PTTs con-cerned and shows that data transmission over the public telephone network at up to 2,400 bits/sec is available throughout most of Western Europe, with two countries offering a public packet switched service.

The 420-page yearbook pre-sents the information country by country and in each case covers telex and telegraph, data services, international facilities. nonstandard equipment and services, leased private lines, tariffs and literature available.

Foundation Lutyens House, 1, Finsbury Circus, London EC2M 7LY (01-432 1994).

Enomeeringcontractors to the oil eas chemical, process and power generation industries.

HANDLING Re-winding of cables

More from the company at Roebuck Road, Hainault, Essex EXTENDING a range of cable re-wind equipment, designed re wind equipment, designed for the electrical wholesaler for use on his own premises is new equipment by McCorquodale Engineering of Duchess Street.

Shaw, Oldham, Lanca.

For some years, the company bas been manufacturing rewind bas been manufacturing rewind equipment supplied to cable manufacturers. Following success with this, it was decided that an extension of the range was called for to fill a gap in the total package of machinery used by cable wholesalers.

New mobile or fixed re-wind machines are for use with electric cables, wire, wire rope, hoses and tubes. Take-nps are supplied for drum weights of

hoses and tubes. I action supplied for drum weights of:
1,000 to 3,500 kg. The drum is supported on a shaft which rotates in ball bearingrotates i

A manual traverse guide: ls A manual traverse guide is available, incorporating a length measuring unit. A collapsible colling head can also be supplied, readily attached to the drive arm assembly. A motorised cutter can be fitted when required. Payoffs, complete with adjustable back tension brakes and of capacities similar to the

ervices, leased private lines, and of capacities similar to the ariffs and literature available. take-ups, are available and the More from the Eurodata range extends to drum storage racks, under-roller drum stands London and coiling machines. McCorquodale 07068 845048.

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ASSETS (M\$'000)	1978	1977
Cash in banks, money at call and short notice	1,487,619	1,316,143
Loans and advances	1,590,887	1.129,294
Bijis receivable	177,541	91,978
Treasury Bills and Government Securities	787,850	526,640
Other Investments at Cost	89,663	81,501
Land, building and other assets	95,975	67,950
Total assets	4,229,535	3,213,506
CAPITAL AND LIABILITIES (M\$'000)		
Authorised capital	200,000	200,000
issued and paid-up capital	100,000	85,000
Reserves and balance of unappropriated profit	43,469	32,801
Deposits (demand, savings, fixed, etc.)	3,311,291	2,777,219
Deposits and balances of agents and banks	606,173	188,612
Bills payable and other liabilities	168,602	129,874
Total capital and liabilities	4,229,535	3,213,506

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James Buxton explains why a cloud now hangs over the once splendid dream of Kenana — one of the biggest sugar complexes in the world

Sudan's bitter-sweet sugar mill

extra 10m tons of refined sugar

The sharebolders were

Sudan government and the

Company with 17 per cent.

More finance

But by the end of 1975, when

the major factory contract had

gone to the French concern

Technip and an important con-

struction contract to Sir Alfred

McAlpine and Son A.G., It was

clear that more finance would

be needed. The Kuwalt govern-

holder "because it wanted to

help Sudan," as one Kuwaiti

stone of the factory was laid in

November 1976 the cost of the

Baldwio) at \$465m-a further

increase of 86 per cent—and the completion date had slipped

more than \$200m and a further

financial restructuring was

The shareholders decided to

ncrease the capital from \$100m

to \$160m, raise their lending by

an equivalent amount and seek

cbeap loans from Arab aid to cover much of the

infrastructure Kenana had to install, thereby reducing the

ing was finally agreed at a board

meeting in May 1977—but KFTCIC insisted at the same

time on Lonrho's being removed

from the management of the

needed.

on world markets.

of the world's biggest sugar complexes, the Kenana scheme in Sudan, is due to start uperating. Conceived and initially managed by the British con-glomerate Lonrho, it will help transform Sudan from sugar importer to exporter. But it is being completed nearly two years behind schedule, at more than five times the original cost estimate. The tale of Kenana is one of successive delays, cost increasea, financial crises and Herculean efforts to overcome immense physical difficulties. Kenaoa is a very impressive

sight, lirrigation from the White Nile has turned once harren-looking scruh into black erable land as fertile as the Fens of East Anglia, and thousands of acres of green sugar cane stretch towards the horizun. The factory and refinery complex is enormous its 40 MW power station is the second biggest in Sudan. Not surprisingly the Sudanese and other Arah investors who have almost totally financed Kenana are delighted that completiun is at last in eight and that they have snmething tangihle to show for their muncy.

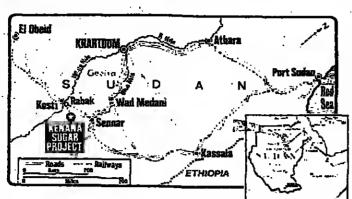
Drain

Yet without a decisive improvement in world sugar prices uf a million tons of sugar a year. Kenana's profitability is very much in doubt: the cost of operating it could become a big financial drain.

The clouded future of what was once a splendid dream is depressing, not just because so mucb of Sudan's recent develonment effort has been devoted to managing director, had not ful-Kenana, but because it was once seen as a shining example of a Third World triangular" develonment project — combining the Western technical expertise of Lourho, the oil money of the Arabian peninsula and the natural resources of an African

One of the key problems bas been the uneasy relationship that developed between the Arabian sharebolders and Lonrho over the exact role the Lourho's feasibility study recog-Western manager should play in 'nised that the infrastructure was the project. In the event the weak but its view on bow soon sbareholders, dissatisfied with it would be improved has turned onrho's performance, removed out to be very optimistic. it from the management of Rui in 1974 tests at the Kenana in May 1977 and re- Kenana site bad produced placed the Lourbo appointed good results and much encourmanaging director with a agement was drawn from the

of that result.



Sudancse. Once in operation, fact that the world sugar price Kenana is to he run by personnel selected piecemeal hy the
rompany rather than under a was talk uf the need for an management contract with a single operator.

Kenzna is une of the two or three biggest sugar complexes designed as a single unit in the world. The feasibility study which Lonrho presented to the Sudanese government in April 1973 outlined a scheme for an 80,000-acre estate watered by pumped irrigation and ducing 300,000 tu 350,000 tons uf refined sugar a year. The project cost was put at \$113m, It was suggested then that the plant might be only the first of several in the area which might eventually produce a juint total

Sudan decided to go ahead with Kenana at the end of 1974 with Lonrho tu manage it, both during and after its implementation Lonrho had considerable experience both of Africa and of sugar, but until then Mr. ' Tiny " Rowland, Lonrbo's filled his ambition to manage a the hig African operators like Union Miniere and Anglo-

American. Yet most cerned with Kenana believe that it should never bave been started nn its present scale hecause this magnified the problems and made it dispropor-tionately dependent on Sudan's transport

managing the project properly: they say it drew up a bad feasi-bility study, that it did not put together a firm financial £95 per ton (the Keriana package before going ahead and feasibility study said that an that it should have appointed average price of £154 over the one single concern as construction manager to handle all aapects of construction, instead of concluding agreements with a variety of companies and

Lonrho has always rejected any suggestion of bad manage-ment and saya that it lost the contract because KFTCIC insisted that its projects be managed by a Kuwaiti or a national of the country they

they did not think Lonrho was

KFTCIC officials bave since well over twice that of any said that they did so because other plant in Sudan. If Kenana

sells to the Arabian market (as

originally intended) it can hardly expect more than the

world price, currently around

next 20 years was "a reasonable working assumption," but

this is now about the breakeven

point at the world's most

But the first 150,000 tons of

Kenana's annual output will not be exported but will go to the

Sudan government to be paid

potentially advantageous cost

plus price formula, according

to an agreement with Lonrho of 1972). Kenang currently expects to produce about

160,000 tons in the 1979-80

season, then go up to 279,000 tons the following scason and reach 351,000 in the 1981-82

It will thus be nearly two

vears before Kenana exports on

any scale, and it still has time to solve the enormous problem

of getting the refined sugar

away: it is estimated that it will

Fulfilled

need one and a half trains a

In at least ooe respect Kenana

bas more than fulfilled its

original promise: cane grown on the estate yielded above

expectations and agricultural

costs are lower than expected

because of the introduction of

likely to become the technical

leader 'of the country's sugar

industry.
But first Kenana must be

brought into production. After

coming close to signing a com-

missioning and management contract for the factory with

combined team from Tate and

Lyle and the Egyptian state sugar concern, Kenana has

decided to recruit its own

world this is certainly a contro-

versial step, but a recrultment

task which once looked very

hard has been eased by the

troubles in Iran, where the collapse of a number of sugar

technicians and agricultural managers onto the market.

Sndanese, Americans, British,

other Europeans and Southern

Africans is likely to be boosted

by Infusions from Egypt,

So the basic Kenana team of

long furrow irrigation.

season.

local currency (on a

efficient cane plants)

Mony people involved with have said that the Mainly because of the 1973/74 Kuwaiti financial establishment oil price rise the capital cost of was burt because Lonrho initially gave a letter of intent for much of the construction doubled to \$250m when the Kenana Sugar Company waa incorporated in carly 1975. work to a Kuwaiti company. then withdrew it. This is denied in Kuwait as being a factor in the argument, but some influantial Kuwaitis undoubtedly felt Corpuration with 61 per cent, that Sudan had surrendered the multi-state Arab Investment too much power to Lonrbo to with 12 per cent, Gulf not, it is claimed, properly integrated into the development Fisheries (the private Kuwaltl company which had recently alrategy of the country. big slake in Lonrho) Kenana is a colonial concept which is fifty years out of date," one secior Kuwaiti put it

> The major reasons for the delays and cost increases are the adjoining analysed in article; another important factor has been the loss of impetus and enthusiasm which followed Lonrho's loss of the management contract, even though the major decisions on the project had already been taken. The new director. managing Mobammed Besbir Wagie, bad

a management system that

The sugar crushing season in Kuwait, Foreign Trading, Con-tracting and investment Com- May. It was therefore hoped, as late as last summer, that the factory would now be crusbing cane. But further construction sethacks have delayed the target start-up date to the end of this assess the project. Their report year, though part of the plant was critical of Louring.

estimate the cost has inevitably scheme was put by Kenana (and endorsed by Alexander and risen further and is not far short of \$600m, a figure which financing and debt service costs likely to be incurred before the from February to late Novemplant starts earning revenue. Last autumn the capital was increased by a further \$29.75m with the Saudi Arabian govern-ment taking a \$29m stake (and committing a similar amount as extra \$Ta0,000-worth of shares. so that it now has a 3,4 per cent stake in the paid-up

> The eventual profitability of Kenana depends on two factors: the world sugar price and the

on the executive committee of

with 5 per cent, and the Japanese concern Nissho Iwai, which was to supply some of the equipment, also with 5 per

But the Kuwait government. shareholder, refused at that stage to come in, because it considered that the project, as presented by Lonrbo, waa not

to pull together a disparate team. Having long experience with the state-owned Sudan, Sugar Corporation, which runs quietly determined man and long-term thinker, and has ment finally became a sbaresteadily gained the respect of the Kenana staff and established

official bas since put it.
Kuwalt, represented by the pany (KFTCIC), took a 23 per cent stake in the restructured company—but also brought in the U.S. sugar consultants Alexander and Baldwin to

> capital of \$183.75m. autumn it resumed its place

capital cost of a ton of sugar from Kenana is likely to be

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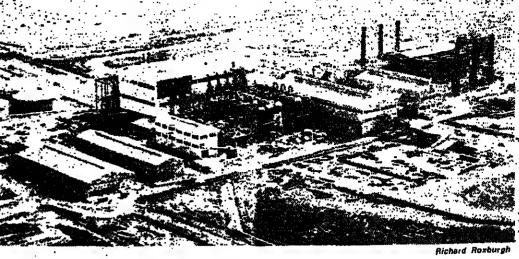
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Kenana sugar factory in Sudan showing (left to right] the boilers, refinery, the mill building when cane is crushed, ≥nd the power station.

A catalogue of setbacks

APART FROM world inflation, nules from the site, instead of tants, Arkel, and the there are three basic reasons the spiral of cost increases and delays that have distorted the economics of Kenana. The first is Sudan's very weak infrastructure. The site is about 700 miles from Port Sudan on the Red Sea and is connected to it hy a narrow-gauge railway that has a continuous hard-surface road; one will be complete only next year.

The project has been implemented while Sudan has been going through an explosion of development unprecedented in its bistory, putting port, railway and other communications under enormous pressure. This has helped cause inflation of up to

25 per cent or more a year. The boom in the oil-rich Arab states (Keoana's invesapearheading this and other innovations in Sudan, Kenana is tors) has drained away skilled Sudanese manpower in thou-sands, while the construction of Keoana bas also been hampered by fuel shortages caused by the national shortage of foreign exchange. Last summer bad floods not only held up work at the site but washed away the railway in several

> The Kenana mangement bas device after another to ensure reasonably regular supply, such as setting up a team with its equipment and the provision of at Port Sudan, the country's only port; and persuade Sudan Rallways, for the first time in its history, to grant it the use of two exclusive trains. together 44.000 tons of equipment will bave been transported across the desert on giant lorries by the British specialist Irans- of the plant, whose total cost is port contractor, Robert Wynn now about \$275m. and Sons.

Morocco, South Korea, India, Pakistan and elsewhere. Kenana will not, therefore, be colonial concept", but it ion rose from £S25 in 1976/77 cation problems, since the there was little sense in not com-

a planned 75,000 tops, because production problems at the plant and diversion of supplies elsewhere. Instead of buying locally at £17 per tun it bas imported at £70. The second basic reason for

bigher costs and delays has been in the factory complex itself. Lonrho could not obtain the hacking of ECGD or Eximbank on the contract for the supply of the factory couldment from already heavily committed to Sudan while the U.S. was on bad terms with Sudan at the time).

Instead. the company was for supply because the French credit agency. Coface, was prepared to back it, Kenana therefore signed a contract with stateowned concern Technip, which was skilled in petrochemical engineering but had never built a sugar factory before (its bid bad previously been rejected because it was far above the

Contract

Technip's contract, worth had to employ one Ingenious \$107.5m, covers the detailed engineering, the supply of the majority of the sugar processing own cranes to handle clearance on-site supervision. But apart from not covering the boilers and power generating equipment (which are supplied by Nissho lwai) the Technip conthe civil work on the site, the erection of the factory, the to site, the largest items carted transport of the equipment to transport of the equipment to Lonrho, the investors, Sudan the site and the commissioning itself — became apparent. But ...

remains to be seen bow it will to £590 today. Kenana was also French technical drawings use pleting the project in its entirety, function with such a polyglot able to buy only \$000 tons of a completely different principle though the fine cial penalties of staff.

erectors, Capper Neill are accustomed to. Many people in the sugar world consider the design far too elaborate for what it is supposed to do, with more gauges of pipe than they would consider oecessary and. with piping elegantly but expensively bent to fit the contnurs of the building.

One of the two sugar crushing trains is virtually complete but installation of electrical wiring and instrumentation, the: supply of which is Technip's responsibility, is well behind the rest of the factory — a major factor in the further delay to the scheme.

The third basic problem bas been that because of the repeated increases in costs: Kenana again and again bad to seek more capital and, in two cases, new sharebolders. There has probably never been a time when the full financing needed to cover the current estimated capital costs of the project bas been assured

One of the first shareholders to come in the Arab Investment. Company, instated that any purchase of \$50,000 or more by Kenana be passed by the shareholders' executive committee. Sucb a sum does not go very far in Sudan nowadays. During 1976 alone there were no less than 22 executive committee meetings.

Once the implementation of Kenana got underway the practical problems inherent in even after it was clear that the scheme was to cost several times ." nd Sons.

This diffuse method of implemore than had been anticipated.
Costs escalated: for example, mentation has caused technical the scale of what had already

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Group Results The Chairman included the following comments in his

statement published with the 1978 accounts: "I am pleased that an improved performance in the last six months of 1978 enables me to report profits for the year which are proportionately better than those for the first half. The good work carried out by our employees and distributors in rhis country and overseas is greatly appreciated in the achievement

Orders received so far in 1979 are above the average for 1978 and present Indications are that trading profits for 1979 should be greater than those of 1978. However, the control of U.K. inflation is bound to affect the Company's profitability and the subject will be reviewed again when the first-half report of 1979 is published in the Autumn."

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Turnover up 15.3 to	19,593	16, 996
Pre-tax profits down 5% to	3,389	3.568
Net profit after tax attributable to Ordinary Shareholders	1,582	1,781
Earnings per Ordinary Share	17.10p	19,25p
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The European disease

BY GEOFFREY OWEN

industry which ought to be able these are American companies to hold its own against com- which are not as directly in the petition from the U.S. Japan political firing line as their any doubt about the technolo- which would arise if, say, ICI gical skills of the big three in Britain or Rhone-Poulenc in German companies, the Swiss France decided to sell their

Britain's ICI and a good many company. more. In contrast to sectors

Buy-back deals

Given their long-established competitive strengths, why are panies so gloomy about the future? There are some specific sources of anxiety on which they are looking to Brussels or national govern-ments for help. These sociude the flow of low-priced imports from Eastern Europe, sometimes arising from buy-back scheme is limited by government policies. This is surely one of the factors—though there

More serious, perhaps, is the threat from the U.S. The Americans have substantially U.S. lower feedstack costs—an advor-tage which is likely to persist for some time despite President Carter's moves to de-regulate ail and gas prices.

Yet there is a more fundamental weakness which the ducers, having enjoyed high through drastic cost-cutting, growth rates in the period up large reductions in manpower terms with sluggish demand, strikes to get its way. It is rising raw material costs and brutal, but it works. fierce competition. There is In Europe that might be intense pressure to keep man-ning levels down, to close down and unacceptable face of or sell off unprofitable busi-capitalism. But whatever imnesses and to switch investment portance is attached to the away from commodity towards social responsibilities of busihigh-value chemicals.

Adjustment is the order of the day, but are companies and of change, there are industrial governments prepared to face situations where without up to lt? Last year Union Carsurgery the patient will waste bide sold most of its European away. If that principle is abanchemical operations to British doned in the interests of social Petroleum and last week Mon-barmony then the European santo announced the closure of disease will infect even the its nylon fibre operations, with strongest sectors of Industry.

IF THERE is one European the loss of over 2,000 jobs. But producers fibre business to an American

If one of the big European like aerospace and electronics. companies gets into serious huilding boom. Nature, somethere are no American com trouble in one of its major lines times with a little belp, bas panies which dominate the of husiness, it is becoming more world market. Du Pont, Dow and more normal for the and others have sizeable invest- national government to step in ments in Europe, but they with offers of assistance, account for a small share of Government-subsidised competithe business. As for the tion appears in its most extreme Japanese, chemicals has never form in Italy, but the babit is been one of their strong points. spreading. Even if governments keep out, companies planning large-scale rationalisation face the prospect of long hassles with employees, unions and local community leaders which could spill over into other parts of their business.

It is bardly surprising that managers are losing their appa-tite for this sort of bassle. They will be pilloried as heartless eapitalists. The amount of bene-fit which they personally or their companies will derive from a successful rationalisation scheme is limited by governare many others - bebind the surge of investment by Euronern chemical companies in the

Brutal

In a recent issue of Business Week there is an account of how White Consolidated Industries acquired a number of failchemical industry is beginning irg domestic appliance com-to share with more obviously panies—the latest is Frigidaire, to share with more obviously panies—the latest is Frigidaire struggling sectors like steel and bought from General Motors shipbuilding. The chemical pro- and restored them to bealth to 1973, are trying to come to and a willingness to withstand

> ness and to the role of govern ment in cusbloring the effects

Fun in a gravel pit

BY JOHN GRIFFITHS

GRAVEL-RAISING in the Thames Valley has been the sonrce of sometimes bitter conremember. Dotting the river valley from the Surrey town of Walton-on-Thames, past Staines and Runnymede to the Berkshire village of Datchet and beyond, thousands of acres of or anywhere else, it is chemi- Enropean rivals. One can gravel workings past and cals. There has never heen imagine the storm of protest present have left a mixed and mostly unwelcome imprint on the landscape and people.

Many of the pits, mainly those nearer London, bave already been filled in, mainly with the rubble from London's postwar taken over at others, producing fisheries and water sports grounds.

But scattered throughout the rea, too, there are the raw soars of current workings. Each may require up to 20 years pits. before it once again is usable

mate needs and the inhabitants' Leisure Sport, a subsidiary set desire to preserve or restore up in 1970 to develop leisure the countryside. Whatever the and sports facilities on some of rights and wrongs in individual the 18,000 acres of water and skirmishes, many of the inhabi- land beld by the group.

tants have long bad both a hearty dislike of the industry. This hostility to graveltroversy for more years than raising in general in part most people living there can explains the protracted struggle which Ready Mixed Cancrete, a group containing the largest



THORPE PARK

Britiab gravel company, bas had to bring to fruition its own novel, ambitious-and potentially profitable-Idea of what to do with some of the worked-out

land. Despite the current slack in the construction industry, continuing development of all types in this densely-populated part of Britain inevitably brings sustained demands for gravel.

Constant consists That solution is called Thorpa sustained demands for gravel. managing director of hoth Constant conflict results RMC's property and leisure dehetween the industry'a legiti-yelopments division, and of

London-Basingstoke motorway, and a quarter mile from the M3-M25 London orbital motorway of mainly old gravel workings which, Mr. Endsor says, could not have heen completely filled for a generation. He readily admits that, 10 years ago, the image of the gravel companies was "pretty terrible."

In 1970 RMC applied for the removal of the filling conditions attached to the original gravel consent, and permission to develop a sport and leisure centre instead, Mr. Endsor himself did not quite know then what ba wanted the end result

history and literature, brought to life through reconstructions of, among other things, a Roman port complete with a fortified signal station and a full-scale replica of a Roman galley; a Saxon hall and Viking longship; s Celtic farm of about 500 BC; and a reconstruction of King John's pavilion for the signing of Magna Carta at Runnymede, 5 miles or so down-

Mr. Endsor, who read English used to subsidise the sperting at Oxford, displays a rather unside. So far, the complex has

major product of that decision. the project. He is prone to A little over 20 miles from discourse on such issues as how London, adjacent to the M3 a trireme (an ancient warship) was rowed, or how a Romao wore his sword. The research on behalf of accuracy verges on intersection, it covers 400 acres the obsessive. He recalls going to Naples to check on Roman construction methods to he foltranspired that the Romans must have been just about the biggest jerry-builders the world has ever known.")

At the centre of the park there is a mushroom-shaped dome housing an auditorium for 1,000 people, with shops, restaurants and bars. No concessions are being let-Leisure Sport plans to retain full control of the complex. There is a re-created French sirfield scene, The theme that emerged was with full-size replicas of the a maritima history of the British Royal Naval Air Service aircraft people. It is a loosely-knit mix which took the Navy Into the air during World War L

> site. The British Olympic rowing and canoing teams train there; the world water ski championships are expected to return to what is now a purpose-built lake with viewing for 60,000 spectators; and there are facilities for wind-surfing and an equestrianism area. The commercial side of the venture, Mr. Endsor suggests, will be used to subsidise the sperting

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"IT'S A HIT, ND JOKING." S. MIRTOR.

Thorpe Park is the first accountant-like enthusiasm for lowed on the Thorpe site. ("It

Thorpe Park is also a sports

perhaps including a theatre.

Mr. Alan Endsor, the man behind Thorpe Park, aboard the replica of a Roman warship there.

cost £34m, including £1m in rather more suspicious Runnyinfrastructure. It sems a very mede District Council took small sum, considering RMC's seven years. The project met snaud turnover of over £500m, and Leisure Sport bopes that

Wringing planning consent from the local anthorities-first from the fairly enthusiastic but ernment reorganisation, from a yet to be learned.

eventually lm visitors will come stage questions were raised in eventually lm visitors will come every year at admission charges of at present £1.50 for adults the "Battersea fun fair" that it and 75p for children. There are was feared might be going up bopes to make additions to the on Thorpe's doorstep. In fact, what Thorpe has actually ocquired is much less of a funfair than a history leson. What lesson it might hold for future cautious Surrey County Council relations betwen the gravel and, after the 1974 local gov companies and the public has

M-Losham for winning return

getting the better of Sorbus in the Irish St. Leger, reappears this afternoon in the Aston Park Stakes at Newbury. If I am right in thinking that Ryan Price has bim well forward, this colt, the hest of bis sex to

RACING BY DOMINIC WIGAN

represent Levmos, will be the one they all bave to beat. Although the Irisb St. Leger

was M-Loshman's most important success in 1978, he ran several other fine races and probably put up performances of comparable merit in the King George V Stakes at Royal Ascot and in the Doncaster St. Leger. Quickening away from the opposition with the minimum of effort at the Royal meeting. M-Losham sailed past the post with four lengths in band of Valour, who was chased bome by Idle Waters and Crimson Beau. Taking on his stiffest task of the season at Doncaster in the home on the Rowley Mile,

second place only in the final strides to Le Moss, the pair finishing 1; lengths adulft of Julio Mariner.

M-Losham, a bandsome. lengthy colt who will be ideally suited by today's 13 furlongs on ground likely to be on the soft side of good, can resume where he left off with a clear-cut For anyone thinking in terms of a forecast, Vital Season, a disappointment at Chester, may he worth another chance.

A year ago, Varsailles Prince produced a strong finishing burst to land the London Apprentice Stakes and his trainer, Tony Ingham, must be reasonably bopeful that the six-year-old will prove up to making it a double.

Versailles Prince, a gelding formerly trained in France, who also took a similar event at Newmarket through a determined late flourish in 1978, got off the mark this time in the Hugh Gorton Apprentice Handicap. Produced a furlong from

6.30 Emmerdale Farm.

7.90 Mork and Mindy. 7.30 Winner Takes All.

11.10 The London Programme:
"Football Hooliganism."

12.10 am Electric Theatre Show.

12.40 Close: Oliver Maguire reads from John Milton's "Paradise Lost." All IBA Regions as London

except at the following times:-

1.25 pm Anolia Naws. 2.25 Friday
Film Malinee: "The Runaway Barge."
5.15 Basiley's Sird. 5.00 About Anglio.
7.00 Father Oser Father. 7.30 Gambit.
9.00 Chips. 10.30 Plobe. 11.00 Friday
Lete Film: "Rida Bayond Vangeance."
Starring Chuck Connors. 12.45 am
Chrintinns in Action.

ATV

1.20 pm ATV Newsdask, 3.20 Family.
5.15 Happy Oays, 5.00 ATV Teday.
7.00 oh No, II'a Selwyn Froggitt, 8.00
Tho Incredible Hulk, 10.30 Mary Hartman, Mary Hartman, 11.00 Tho Elizabeth Taylor Stor Movie: "Who's Alraid of Yigana Wooll?"

BORDER

1.20 pm Border News, 2.25 Matinac:
"Mon...ol the Oragon." 5.15 Germock
Way. S.00 Lookaround Friday, 6.30
Hoopy Oays, 7.00 Febrer Oper Fethor,
S.00 The Streets of San Francisco. 10.30
Your MP. 11.00 Columba. 12.40 am
Border News Summan.

CHANNEL

1.18 om Channol Lunchtime Haws and What's On Y/nore. 2.25 The Firday Motinee: "This is The Worst That Was." 5.15 Emmaidale Faim 5.00 Report at 5iz. 6.35 Lucen. 10.35 Channol Late Naws 10.35 Models. 10.55 Luis Night Movie "The Party" of Over." 12.30 am Nown and Waether in French.

GRAMPIAN

3.00 Hawaii Five-O.

9.00 Kids.

10.09 News.

10.30 Soap. .11.00 Police Five.

M-LOSHAM, not seen out since autumn, M-Losham forfeited Versailles Prince swept well getting the better of Sorbus in second place only in the final clear of the beavily backed the Irish St. Leger, reappears strides to Le Moss, the pair Grande Armee to pass the post, still going away with three lengths in hand.

That was undoubtedly a smart performance. I expect a reproduction of the form to see him coming out on top of Degas, something of a disappointment ot Folkestone last time out. Five promising fillies, Untitled, Sandfornia, Crystal Queen, San Marguerite and Scintillate, go to post for the Sandleford Priory Stakes and it is quite possible that the race give a classic pointer or Crystal Queen found only L'Ile du Reve too good, in April Maiden Stakes at Sandown, on her reappearance. She can outstay Sandfornia, who is likely to find this 10 furlongs giving her stamina problems.

NEWBURY 2.00—Versailles Prince* 2.30—Lady Downsview 3.00—Collect

3.30—M-Losham** 4.00—Crystal_Queen***

4.30-Mister Mason

Hitchcock: "North by North West," with Cary Graet.

1.20 pm Report West Headiless. 1.25
Report Wales Headilnes. 5.15 Gambit.
5.00 Report West. 6.15 Report Wales.
5.00 Report West. 6.15 Report Wales.
5.00 The Incredible Hulk. 10.30 News.
Extre. 11.05 The Friday Film; "They
Came Irom Bayond Space."
HTV Campt/Wales—As HTV Gagara HTV Cymru/Woles—As HTV General Service except: 1.20-1.25 bm Penewdeu Newyddion y Oydd. 6.00-6.16 Y 'Oydd. 50.35 The Brenne Marcholey Detts Iounament. 11.06 Outlook. 11.30-12.25 am the New Avengers.
HTV West—As HTV General Service except: 1.25-1.30 pm Report West Headlines. 3.15-6.30 Report West.

SCOTTISH 1.25 pm Nowe and Road end Weether.
2.25 Whicker's World. 5.15 Gembit.
d.00 Scotland Todey. 5.20 Emmordele
Firm. 7.00 to You Come Here Often?
8.00 Streets of Sen. Francisco. 10.30
Weys and Meana. 11.00 Late Call.
11.05 Appointment with Fear: "The
Hounted Polaco," sterring Vincent
Price.

SOUTHERN

1.20 pm Southern Naws. 2.25 Friday Metinee: "The An ol Crimo." 5.15 Heppy Caye. 8.00 Cay by Cay. 5.00 Sceno South East (South East Area only). 5.30 Out ol Town. 7.00 Like it or not. 8.00 Streets of Sor Prencisco. 10.30 Waskand. 10.35 Opinions Unimited. 11.05 Southern Naws Extig. 17.15 Song. 17.45 The Late, Late Premiere: "Bull Stop."

TYNE TEES 8.25 am The Good Word, lollowed by North East News Hoodlines, 1.20 pm North East News and Lookeround, 2.25 Friday Film Motines: "Call Her Mom." 5.15 Lavorno and Shirley, 8.00 Northem Lile, and Spoftstime, 7.00 Afright Howl S.00 The Incrediblo Hulk, 10.30 Friday Live, 12.00 A Twist in the Tele. 12.55 em Epilosue.

ULSTER 1.20 pm Lunchtime. 2.25 Fridey Matines: "A Brand New Lile." 4.13 Water News Headlines. 5.15 Gambit. 6.00 Good Evening Ulater. 5.30 Sportscasi. 8.00 The Streets of 9an Franciso. 10.30 Fridey Film: "House of Bamboo." starring Robail Stack and Robell Ryen. 12.20 em Bodilme.

WESTWARD WESTWARD

12.27 pm Gus Honeybun's Birthdays.
1.20 Woolward Hows Haadlines. 2.25
The Friday Mations: "This is The
Wost That Wos." S.15 Emmords for Fare.
S.00 Y/ostward Diory. 8.35 Time Out.
7.00 Southwest Showcase. 10.32 Wostward Late Nown. 10.36 Printimes for
the Progent. 110.95 Late Night Movies:
"The Pstry's Over." elearing Olive:
Reed. 12.30 em Feith for Life. 12.35
West Country Wosther, Shipping Forecost.

GRAMPIAN
9.20 nm First Thing. 1.20 pm Grampian News Headdings. S.15 EmmErdalo
Farm. S.00 Grampian Today. 6.35
Fister Dear Fathor. 7.30 Fermioun
Folk. 10.30 Reflections. 10.35 The
Friday Film: "The Roturn of Coum
Yorn." 12.25 em Grampian Late Night
Headdings, Iollawad by toad teport.

GRANADA
1.20 pm Cattoon. 2.25 Finday Madness. YORKSHIRE 1.20 pm Calendar Hawa. 2.25 Friday
Film Mstinso: "It Couldn't Happon to
a Nicor Guy." S.15 Makin' II. S.00
Calendar (Emisy Moot) and Belmont
oditions). S.35 Calendar Summer Sport.
S.00 Tho Incredibla Hulk, 110.30 "The
Petadina Case," sterning Gregory Pock,
Ann Todd and Charles Laughton.

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and South-East).

6.40-7.55 am Open University (Ultra High Frequency only). 9.33 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.00 Golf: Colgate PGA Championsbip. 12.45 News. 1.09 Pebble Mill. 1.45 Heads and Tails. 2.02 For Schools, Colleges. 3.00 Golf (further coverage). 2.53 Regional News for England (except London). 3.55 Play

† Indicates programma in

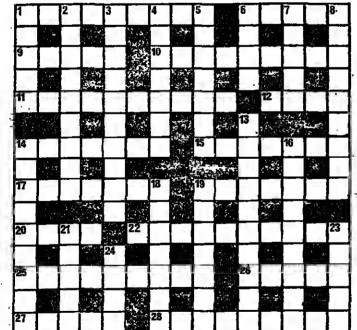
RRC 1

School (as BBC 2 11.00 am), 4.20 Heyry, It's the King. 440 What Do You Watch. 5.10 Lassle. 5.35 Paddington.

3.00 Two wo Down 8.29 Open All Hours.

pionship.

F.T. CROSSWORD PUZZLE No. 3.974



ACROSS 1 It's right in the main (9). 6 Men entitled to hospital (a) 9 Store of French drug (5) 10 Scent what emerges from nozzle of hose (4, 5) 11 Shakespeare's title for river 8 Fight with club over waste

bird (4, 2, 4)
12 Successful manoeuvre com13 Getting rid of family battlepany promoted (4) .14 Smuggles strong drink (7) 15 Ne'er-do-well on fishing boat 16 Will experiment

(7) 17 Braggart capsized extraordinarily (7) 19 Contributes to cost of keeping corpenter at home (5, 2)

10 V sign servicement may have
11 by sign servicement may have
12 Appearance to behold all
13 bis sleeve (7)

right (4) 22 Spray barometer with preservative (5, 5) 25 Interview with computer of Cockney females (9) 26 One kind of timber is per-

fect (5) 27 Pole who hecame Prime Minister (5) 28 Happy to study in camp

DOWN I Rival factions coming

second on March 15 (5) 2 A very quiet London suburb may be attractive (9) 3 Shower boy wanting more biscuit (4. 6)

4 Money owing to artist upset

over trains (7)

7.00 It's a Knockout

5.20 Wales Today. 7.00 Heddiw. 7.20 Dewch Fr Ardd. 7.35-8.00 Ask the Family. 10.15 Kane on Friday. 10.45-10.50 Regional, 9.93 News. 9.25 Petrocelli. 10.15 Tonight in Town (London Friday. 10.45-10 National News.

10.45 Regional, National News. 10.50 World's Amateur Latin American Dapoing Cham-11.30 The Late Film: "The Premature Burial." star-

5 Record brief equity share

7 A trio that's out of propor-

Utensil made from wood

strife (T)

tion (5)

nf tea (9)

world (5)

that's biased (4)

front (6, 4)
14 Officer going below change direction (9)

prayerful assent before Start

18 Doctor since facial disorder

21 Name highly prized in film-

23 Firm like this takes cover

FACTOR ASTRUM O R W O A I SROUMDS SAMATIZE G I R O E N I BOXSPAMMER BAGS

SPAVG JEAOWIMU H HSE E C LOMESTAR FRAME R L LA L E STAY LOCKUPSHOP

24 Pity part of Bible (4)

has become severe (7)

up his sleeve (7)

ring Ray Milland.

All regions as BBC except at the following times:—
Scotland—5.5-6.20 pm Reporting Scotland. 10.15 The Beech-Grove Garden. 10.45-10.50 Regional, National News.
Wa'es—11.05-11.50 am For Scirols (Let's Lcok at Wales). 5.40 News. 5.55 Nationwide. 1.45-2.00 pm O Dan Y Mor. \$.55-

National News.
Northern Ireland—10.23-10.43
am For Schools. 3.53-3.55 pm
Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15
Pan Hen Lee presents his choice
of music in Music Room. 10.4510.56 Regional, National News.
England—5.55.6.20 pm Joseph

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham);
Points West (Bristol); South
Today (Southamptoo); Spotlight
South-West (Plymouth). 10.18
10.45 East (Norwich) Variations;
Midlands (Birmingham) In Trust; North (Leeds) Direct Line; North-East (Newcastle)
Mike on Friday; North-West
(Mancbester) Sense of Place; muth (Southampton) Little Piggy Went To Market .' S. West (Plymouth) Peninsula;

West (Bristol) Day Out.

BBC 2 6.40-7.55 am Open University. 11.00 Play School. 11.25 and 3.55 pm Golf: Colgate

PGA Championship. 4.50-6.55 Open University. 6.55 Gardeners' World. 7.20 Mid-evening News. 7.30 Heads and Tales. 7.45 Westminster. 8.10 Chronicle.

9.00 The Fivepenny Piece Show. 9.30 The Other Side. 10.20 Bullseye BBC 2 Darts Trophy. 10.50 Golf: Colgate PGA Cham-

picoship (bighlights).

11.35 Late News.

11.50 "Chinese Roulette," starring Anno Karina. 1.20 am Fox Watch.

LONDON 9.30 am Schools, 12.00 Song Book, 12.10 pm Pipkins, 12.30 The Cedar Tree, 1.00 News, plus

RADIO 2

5.00 am News Summery, 5.02 Oavid Allan (S), 7.32 Terre Vocan (S) including 8.27 Racineg Bulletin and 8.45 Pause for Thoubit, 10.03 Jimmy Young 12.15 pm Wagooners' Welk, 12.30 Pete Murray's Octo House (S), 2.30 Osyid Hamilton (S), 5.30 Wagooners' Welk, 4.55 Socias Octo Wagooners' Welk, 4.55 Socias Octo Wagooners' Welk, 4.55 Socias Octo Megooners' Welk, 4.55 Socias Octo Socias Oct

\$5.55 am Waether. 7.00 News. 7.05 Overture (\$). 8.00 News. 8.05 Morning Concert (\$). 9.00 News. 9.05

RADIO 1

RADIO 2

RADIO 3

1.20 pm Cattoon. 2.25 Friday Medines:
"A Braed New Lile." 5.35 You're
Only Young Twice. 6.00 Orandin
Reports. 5.10 Kick Oll Special. 7.00
The Girl with Something Extra. 8.00
The Streets of San Francisco. 10.30 (S) Stareophonic broadcast
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This Week's Composor: Weil (S).

3.55 Young Artists Recital (6). 10.45

3.8C Horthorn Itsland Orchaetrs (S).

11.30 Chorus and 8rss; (S). 12.20 pm Middey Content part 1 (S).

1.05 Playbill (S). 1.20 Middey Content part 2 (S). 2.15 Royal Repertoire (S). 3.15 8lechs Eden and Alexander Temir play Schubert pinnoducts (S). 4.25 The Young Idse (S).

2.55 Homeward Bound (S). 45.45 Nows.

5.50 Hemeward Bound (S). 45.45 Nows.

5.50 Hemeward Gound. 46.15 A.Homo: Concert: Vaughan Williams, Ramsab. Stravinaky. 7.10 Julius Katchen playo Brohms (S). 7.30 Music from Pablic Mill part 1 (S). 2.05 Sir Ralph Mill part 1 (S). 2.05 Legacy Sverency condacts Kalinnikov (S). 10.00 Music Now. 10.45 Paul Torteller, cSlo recital (S). 11.55-12.00 News.

VHF On'w-4.90-7.00 om and S.45-7.10 pm Open University.

RADIO 4 S.00 am Hows Briefing, S.10 Farming Today, 5.25 Shopping lorecupt. 8.30 Today, including S.45 Prayor of the Oay, 7.01, 8.02 Today's Hows. 7.30, 8.30 News headings. 7.45 Though lor the Oay. 8.35 Yealciday in Parliament. 9.00 News. S.05 Baker's Dozan. 10.00 News. 10.05 From Our Owa Correspendent. 10.30 Oaily Service. 10.45 Marning Story. 11.00 Oown Your Way visits. Heathrow Airport. 11.40 Announcements. 11.45 Liston with Mothor. 12.00 News. 12.02 Om You and

Yours. 12.27 My Muelc (S). 12.55
Washtor: orogramms news. 1.00 The
World et One. 1.40 The Archars. 1.55
Shipping isrecast. 2.00 News. 2.02
Voman's Hout from Belliast. 3.00 News.
2.05 Alternoen Thealer (S). 4.00 News.
4.05 The Small, Intricate Life of Goreld
C. Potter. 4.35 Story Time, S.00 PM:
Naws mogazine. S.50 Shipping looceast.
S.55 Waulher; programms naws. 6.00
Haws. S.30 Coing Places. 7.00 News.
7.05 The Archars. 7.20 Pick of the
Week (S). 8.10 Profils. 8.30 Any
Questiona? 9.15 Lener from America.
9.30 Keleidoacope. 10.30 Week Ending
Tonight: Hows. 10.30 Week Ending
S). 10.55 Pail on Fridgy. 11.30 A
Book at Bedlime. 11.15 The Financial
World Tonight. 11.30 Today in Parligmens. 11.45 Just Before Midnight
12.00 Nows. BBC Radio London

S.00 am As Radio 2. S.30 Rush Hour 8.00 London Live. 11.40 Lobbys. 12.02 pm Call In. 2.03 206 Showcoss. 4.03 Homo Run. 8.10 London Sports Oosk 6.35 Good Fishing. 7.00 Look, Stoo Liston. 7.30 Black Londonsers. 6.30 Track Record. 10.00 Late Hight London. From 12.00 Join Radio 2. London Broadcasting

5.00 am Morning Music. B.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports, with Goorge Galo. at 3.pm. 8.00 After Eight. 9.00 Hight-line. 1.00 am Night Exus.



Vanessa Redgrave

Round Mouse

The Lady from the Sea

The Royal Exchange Theatre with the most important from Manchester brings its privilege, or right, of all. The season at Chalk Farm to a right to choose. The actual glorious cooclusion with Michael result of her choice is subsidiary Elliott's already famous produc-tion of Thsen's latish master-plece (1889). When reviewed ing that choice.

The stage area 100ks, at first glance, suspiciously like an ornamental garden, its rockery and wooden jetties set in a still Leighton in the role, but too lake. But there is real cunning, often English actresses have and magic, in Laurie-Dennett's turned Ellida into the Lady death: his 1976 Requiem uses seemed on Wednesday; and even from music.

Geoffrey Burgoo has already restrained, unindulgent lines—shown himself a more than usually optimistic portrayer of mento solo strings in the soprano death: his 1976 Requiem uses sections adding a touch of the Cross work, tyhich changes easily from various recesses in Dr. Waogel's estate to a rocky hilltop, populated briefly in Act 2 by tourists in holiday mood. The hilitop is decorated, too, with a rusty edifice signifying a disused lighthouse.

Ellida, the Doctor's secood wife, is the daughter of a lightbouse keeper, whose life on land is sbadowed by a former time Stranger. She is a creature ot the sea locked in a life of seemingly bumdrum domesticity hut escaping each day lo swim in the fjord. Miss Redgrave's first, startling entrance, is made tripping through the shallow water, shaking the ocean from her lank halr, her muscular frame wrapped in a large white towel. She arrives to greet her huaband and his old friend Arnholm, who has answered a. summons on the mistaken assumption that Wangel's

daughter, a former pupil, wishes to see him. Wangel has two daughters by his previous marriage, and the play develops not only as a careful working out of Ellida's role in that household but also as an almost diagrammatic exorcism of her call to the deep. The Stranger, with his talk of dolphins and whales, and his lingering romanticism—Ellida's child by Wangel, who died aged a few months, had eyes that changed like the sea's colours. - returns to claim his fellow spirit. But his appeal to Ellida must be balanced regainst how she sees her new life, and it is only through a series of is only through a series of and Terence Stamp in the blistering, painful encounters thankless role of the goodwilh both the Stranger and looking Stranger.

Wangel that Ellida can emerge MICHAEL COVENEY

from Frinton-on-Sea. Miss Redgrave, on the other hand, to depict death as blissful tingles with "other life" from union with God, and mystical the moment sbe enlers, and writings by Traherne torm the makes it fascinatingly clear that basis of his 1973 The Fire of

honesty in a marriage and, in Graham Crowden as Wangel, Miss Redgrave has a superlative, sensitive partner. This Ellida's possession by forces beyond her control is continually related back to her marital status, and Mr. Crowden, wbo bas the most alarming information and revelations to cope with in the course of the evening, quivers and stutters his way in his own inimitable style to establishing a malure relation-

ship.
Miss Redgrave sings her way gloriously through the play.
combining animal passion and suffocating doubt in a marvellous expression of Ellida's inner struggle. On a subsidiary level, the wooing by Arnholm of the elder daughter (Sberrie Hewthat outstanding actor, John Fronklyn-Robbins, and their brilliantly written scene in the final act contains, somewhat depressingly, the blueprint for a "decent" marriage. The daughter: played by Lynsey Baxter, is a tascinating dry run for another Hilde Wangel in The Master Builder, and there is excellent work, too, tron Ghristopher Good, as a forlorn the state of the state and mystified attendant artist.

Wigmore Hall

Beethoven and Brahms

In his maturity Beethoven in much happier form than in avoided the medium of the piano quartet and quintet Miss Rosenbarg provides the largely, it is claimed, because dramatic shaping, though her he disliked the clash of tuning between the equally tempered keyboard and the natural intonation of the strings. He wrote a set of three piano quartets in Bonn in 1785 when he was 15, but the "Piano Quartet in E flat op.16" that began Wednesday's Wigmore Hall concert was Beethoven's own arrangement of his better known piano and wind Quintei. The combination of Sylvia Rosenberg, Nobuko Imai, Moray Welsh and Craig Sheppard is a gathering of formidable solo eputations to discover in chamber music. Miss Imai is a

tolist of sweet musicality and

prodicious tonal power who was

tble chamber experience, here

tone has a tendency to bulge indulgently on the G string and she has a distracting mannerism of approaching each note of a phrase from helow. Craig Sheppard seems a more sober chamber player than he often is as a soloist

Brahms's C minor Piano Quarte focused the talents of the group most successfully. But it remained nevertheless a performance of moments rather than wholeness, a version which held the attention by virtue of Miss Imai's simplicity in ber recapitulation of the first move ments' second subject, Mr. Welsh's eloquence in the slow movement. Mr. Sheppard's neal ormerly the mainstay of the leggiero pointing of the counter /ermeer String Quartet; Mr. subject at the start of the finale. Welsh is a cellist of consider-

ANDREW CLEMENTS

Coliseum

The Italian Girl in Algiers

by ELIZABETH FORBES

in Alucri achieved the same strength of the lower notes, musical and dramatic levels as while the florid line causes her the first half of Rossini's opera no trouble. so happily does, then the Italian Girl would challenge Cenercholo as runner-up to the immortal Borber in the popularity stakes. As it is, the revival by staged by Hugh Halliday, at the Collseum gives a great doal of pleasure, despite the lack of

The performance begins most promisingly with a neat, witty and relaxed account of the over-ture. Mark Elder obtains some stylish playing from the orchestra — especially from the wood-wind — and establishes taut, but not overdriven rhythms which carry the music along tresis-tibly right through to the superb first act finale. Mr. Elder does his best to continue in the same vein after the interval, but though the trio for Mustapha, Taddeo and Lindoro has to be encored, the Kaimakan and Pap-patacci initiation ceremonies inevitably fall rather flat. Only Isabella's patriotle air strikes a note of genuine feeling.

Elizabeth Connell, the new Isabelia, sings this hymn to the glory of Italy with conviction and a most attractive warmth of expression. Her voice is and green of Sa soft-grained and without the edge often found in coloratura spaghetti with Ch mezzos, but it is a real delight of an ethnic mix.

If the second act of L'Italiona to hear the fullness and

As Mustapha, Richard Van Allan also proves an excellent comedian. He does not overplay the English National Opera of Wendy Toye's production, now staged by Hugh Hallidan and the Character's credulity, either, but makes it clear that the Bey indulges his beautiful European captive without heins complete. duped by her. His excellent renders unimportant, a certain genuine inspiration in the last lack of fruitiness in tonal half-bour or so of the acore.

The performance begins most promisingly with a neat, witty and relaxed account of the overamusement by his timidity. He points the text with quiet but telling irony. Jobn Brecknock, in powerful

and lustrous voice, gives character as well as lyricism. to Lindoro. Marilyn Hill Smith also endows the usually pallid-figure of Karima, the Bey's neglected wife, with a distinct personality, and sings charm-ingly. Shelagh Squires, as Zulma and David Marsh complele the septel of principals. The production is efficient if not very imaginative. Peter Whileman's sets and costumes have kept their freshness. The final scene, with the sailors got up as Venetian gondoliers, Isabella wearing the red, white and green of Savoy, and the Algerians washing down their spagnetti with Chianti, is a bit

Festival Hall

Burgon

Thanks to the broadminded munificence of the Arts Council (subject to no restrictiona of taste, merely those of demand) money for musical commissions is these days rather more easy to ohtain than, say, a mortgage. Bul the results often have much shorter lives than n mortgage. All the more pleasing, then, to encounter a commission which tion of Theor's latish masterplece (1889). When reviewed last year at Mancbester, it was widely acclaimed for its ingenious design and pulsating central performance by Vanessa Redgrave. No praise was too extravagant.

to ber gaining Wangel's unimpulse to create a new piece of music: Geoffrey Burgon's Veni Spiritus, given its first performance by the Royal Choral Society on Wednesday, grew from the request of the parents of a young choir member who had died suddenly to has sprung from a genuine tedgrave. No praise was too if the part has since received as ber who had died suddenly to vibrant and seductive an interthe stage area looks, at first prefation as is now provided by the enjoyment she had derived

> texts by St John of the Cross makes it fascinatingly creat the demonic attraction of the Stranger has an much to do with Stranger has an much to do with metrical scheme of three choral metrical scheme of three choral interspersed with movements interspersed two solo sections: at the start and finish are settings of the great plainsong hymns Veni Soncie Spiritus and Veni Creator, while at the centre is the magnificent medicine rhyming bymn of praise Alpho et Omega. Appropriately, the parts for bass and soprano soloists are more personal; first a translation of an Eskimo invocation to the Spirit of Air,

and second some more St. John of the Cross.

The music is utterly clear and transparent: so bare that the richness of the texts is scarcely hinled at. Plainsong provides some of the motivic framework: Veni Soncie Spiritus accumulates a note cluster from the stepwise progression of the hymn, while Veni Creotor pre-sents its melody in clearer out-line, working its first few notes into a trance-like incantallon. Towards the end of the third and fifth sections, syllables are split up among the voice-parts, effectively mirroring human divisiveness and the all-seeing mind of God. The cboral writing is simple, too simple, it often seemed on Wednesday; and even sensuality.

At a first hearing, It did not in the future, if I could be persuaded that the work's simplicity is not thinness. As for the Fauré Requiem - aoother wonderfully sympathetic treat-ment of death, never crossing line from sentiment into sentimentality — this was a devout, over-slow performance under Meredith Davles. in which the inclodies never took wing and too much of the choral singing was slightly under the note. The fine soloists in both works were Felicity Palmer and Stephen Roberis.

NICHOLAS KENYON

unsterdam, Algemene Bank Nederland, Head Office, 32 Vijzelstraat, P.O. Box 669, 1000 liG. telephone 020-29911, telex 11417.



A toothless vampire by NIGEL ANDREWS

Nosferatu the Vampyre (AA) Blg Wednesday (A) Warner West End The Manltou 1X) Classic Oxford Street

been a gauntiet thrown down to the audience, an artistic l-challenge-you demanding an equally strong and head-on equally strong and head-on cballenge-you demanding an equally strong and head-on response from the filmgoer.

Nosterolu the Vompire is his newest film: a re-telling of the first ever vampire movie, F. W. Murnau's silent 1922 Nosferotu. shot in pasicl colours which have a porcelain-like sheen and nffering a slow, lyric—and for Herzog surprisingly reticent account of the Dracula legend. Expunge from your mind thoughts of Christopher Lee with hillowing cloak and bloodshot contact lenses, glowering decline into almost a ritualistic exchange of Gothle clicbes. The from a Hammer-borror battle-ment. Herzog and his actor Klaus Kinski iwho played Aguirre) model their vampire Aguire) model their vampire abouts of Nosferatu's castle. closely an Murnau's—hald-skulled, rat-foothed, long-nalled—and like Murnau they spring him not into a standard-Cothic landscape somewhere in Transylvania but into a petty-bourgeois town on the Baltic Coast. Thither the vampire coast. Thither the vampire comes, with his cargo of coffins and train of plague-carrying rats, to spread abroad his evangelical terror and to further the screen—especially when his predatory designs on the Island Adjant's Lugy is many Katt's Jack Barlow and Gary his predatory designs on the Isabelle Adjani's Lucy is pre-

story's beautiful heroine Lucy (played by Isabelle Adjant). lengthy chapter in Transylvania minted power and meaning.
where Nosferatu plays host to That Nosferatu the Vompyre
Jonathan in bis crumbling is worth a dozen Hammer
castle; and the main body of the
plot back in the Baltic town
where the vampire, arriving by
ship and disembarking with his
plantic property brings
settings for a tale of the extra-

scenes of surreal apocalypse: indeed, principally in these scenes. The camera roams through the town's huge market square (actually Delft in Holland) observing the twin break-

beginning its work. There are other passages where Herzog's timing sems to go askew and the film slows almost to a standstill. The images separate and stiffen like pictures in a museum. Bruno Ganz's almost terminal drooplness as Jonatban is a serious weakness, and the Transylvapeasants at the lnn turn their heads in fateful, glaring unison when Jonathan asks the where-abouts of Nosferatu's castle. And later, the vampire's

(played by Isabelle Adjani).

Herzog has sectioned his film in three parts: a Baltic prologue, in which we see Lucy's estateagent husband Jonathan (Bruno Ganz) set off for Transylvania to interest Nosferatu in a town home to the subject of Muriau and making in a manager of Muriau and making in the seems to have been caught in a seem to have been caught in a fatal indecision between making interest Nosferatu in a town home to Muriau and making slightly ironic distance he preproperty: a macabre and a horror film with its own new-viously kept from them has lengthy chapter in Transylvanla minted power and meaning, vanished. When the surfers plague-spreading rodents, hrings settings for a tale of the extra-bis eaustic hurricane of evil and ordinary. But from Herzog Even when these unlikable one expected something a little lads take to the waves, in foot-

rather than a recitation. * * * tt the shadows, rats and

There are some film-makers in the world—a rare and vital few—whose every new movie is an event. The German Werner Herzog is one. From Eren Wrath of Gud to Heart of Glas, Wagner's Das Rheingold in Wrath of Gud to Heart of Glas, was down of sanity and country and coast, glistening with the bronze-bodied surfaction. Sanity and coast, glistening with sun, waves, bronze-bodied surfactions. Herzog's deployment of boards? All these are abunched the Prelude music trom dantly on display in John Willius' Big Wednesday—his first With The Monitou we come back to borror, though this is since the wonderful Wind out the cheeky. derivative, post-in 1975. Despite the Exercist Hollywood kind. A air pleasure dome of the Cali-fornian coasi, gllstening with for. Bereft of this dimension, sun, waves, bronze-bodied sur-Big Wednesdoy merely providea the Lion in 1975. Despile the time gap, Milius has kept up with his past preoccupations: be's still fascinated by characters of heroic, almost mythical proportions, cutting an idiosyn-cratic path through history. And the main characters of Big Wednesdny - a band of snrfing nuts whose progress is observed from 1962 to 1974 through various hot summers, marriages, houts with the bottle and clashes with Vietnam-have all the accutrements of mythical benigs. The have their own magic totems (the surfhoard), their own rituals, their own pbllosophy—fostered by a guru called Bear who, we are told, "knew where the waves come from and wby."

Portentous music, camera angles and dialogue surround their actions at all key moments, climaxing in their slow walk across the beach to ride the Great Swell of 1974, lined up like advancing troops defending Katt's Jack Barlow and Gary Busey's "Masochist" — and viously kept from them has engage in rumbustious drinking and fighting, throwing hambur-

a water hose lbrough the win-dow slats of a loo full of ladies, there is no allowance tor cen-Herzog being Herzog, there is more: a Vision rather than a age supervised by the surfing

gers at each other or squirting

a weird beauty even in these series of images, a Revelation specialist Greg MacGillivray, the impression they make is less than stunning. For all the slow motion, the camera shots taken other sepulchral glories of from inside the waves' curves, Herzoe's Noslerotu fall to catch the film's images signally fail your fancy, how about the open- to achieve the poetry they

the cheeky, derivative, post-Exorcist Hollywood kind. A lump is found on the back of Susan Strasberg's neck and it grows at a fiendish rate. This is hardly accidental, for inside the lump is an actual fiend-a 400year-old Indian medicine man currently going through one of his numerous reincarnations. Surgery proves spectacularly useless, and the fiend is only conquered by the combined forces of a charlatan fortuneteller (played with judicious impishness by Tony Curtis), a benevolent witch doctor called John Singing Rock, and all the volts and computer terminals commanded by the Sister of Jerusalem Hospital in San Francisco.

Produced and directed by the late William Girdler, the film bas no truck with subtlety. The script decorates the extravagant plot with lines of poker-faced absurdity (" I've heen through every tumour book I can find ") and antiquity (" Call it woman's Intuition, but . . . "). The direction, too. is blunt and wayward —the camera going out of its the Golden Gate Bridge, which belong in a completely different film. But the proceedings are delalls and characterisations pull you up short—Tony Curtis ripping off his phoney moustache planting it on the wall of hls flat, Burgess Meredith's unusually restrained eameo as an anthropology professor, Stella Stevens' dusky spiritualist (charmingly called Amelia Crusoe). And the special effects tbroughout are exemplary: the monstrous births and battles of magic take place without any of the gimerack shoddiness that disfigured Girdler's previous concoctions.

GEOFF BROWN

ABN Bank's fourth British office opens in Birmingham.

The Algemene Bank Nederland N.V. is already in London, Manchester and Jersey. On May 18th ABN's fourth office will officially open in the centre of England, the industrial Midlands.

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FINANCIAL TIMES

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Friday May 18 1979

Warnings for Sir Geoffrey

monetary statistics in recent that he will be able to consider months has been a matter of any easy, wait-and-see option. better described as guesswork. The whether the present buoyancy Government's own operations in the economy, suggested by have been disrupted by civil the sharp rise in retail sales service dispules, and one result and by reports from industry has been to interrupt the flow of as well as by the banking figures revenue and so inflate the bor- themselves is a temporary blip rowing requirement. At the or a new trend, same time sales of official debt three reasons for the bave ben abnormally high-a combination of pre-election very far under its own momenspeculation and the timing of tum; the element of catching the sales of tax instruments up from wioter disruption, the ahead of an abrupt drop in the spur to retail sales from clear interest rate offered. Some of warnings of higher taxes on this heavy buying may have been expenditure, and the fact that

ludeed, the only major factor determining the growth of incomes money supply which has not ahate. been behaving abnormally recently is the one which has attracted most attention-the foreign exchanges. It seems that the banks have not felt able or perhaps willing to use these potentially flighty inflows to finance an expansion of their dnmestic business. . The net effect of the drama has, therefore, been very small.

Adjustments

The swings and roundabouts affect not only the components of the money supply, but the total. The seasonally adjusted broadly-defined money in the last three months bas been in round numbers a rise of £500m, a subsequent fall of £400m, and a rebound of £750m. It need only be added that the seasonal adjustments themselves bave been revised, as ls normal at this time of year. and the impossibility of any confident judgment is obvious.

These strong reservations must be stressed because so far as these lurchings can be interpreted as they are glimpsed through the fog, they seem to be taking a potentially disturblng direction; monetary growth appears to be quite near the upper edge of the growth range prescribed by present policy. just as the recovery in real economy following the winter's disruption and the election is gathering way. It would, of course, be extremely foolish to interpretation, but it is certainly nol'too early to think about pos-

READING THE economic and figures do not seem to suggest He will have to decide three reasons for thinking that the recovery will not proceed orices will in due course reficct the excessive increase in wages. The growth of real will in due course

On the other band the Government must hope that its election victory and the tax strategy which will be started in the Budget will increase busi-ness and consumer confidence, and perhaps spur activity in If the Chancellor holds any

strong hope of a more sustained recovery, then he will face an immediate dilemma over the role of monetary policy; for after the excessive cost increases of recent months, any sustained recovery in real activity will put an increasing strain on credit within its prescribed limits. That is of course what an anti-inflationary monetary policy is meant to do in the presence of demands, whether from wages or from the public sector. Sir Geoffrey, in other words, may bave to make It clear whether monetary policy is really the front-line weapon against inflation described in the Queen's Speech, or whether it should rather aim to apply only a gentle pull on the reins, as the Confederation lodustry seems to urge in its budget representations.

Objective

The choice is really between the short and the long term; for while a summer of recovery is longer term demands some take any precipitate decisions on clearer objective than trying to the hasis of such a tentative maintain control while drifting Yesterday's figures offer a

Sir In less than four weeks Sir gestive warning that Sir Geoffrey Howe will have to make Geoffrey will not be able to bis own stance clear, and the offer pure sunshine on June 12.

A positive aim for education

ment's decision to preserve political emotion? grammar schooling as its first comprehensives favour the weak legislative act bas persuaded Mr. and the poor, as implied by Roy Hattersley, the Labour Mr. Hattersley in the Commons, spokesman, that the main has no objective foundation.
political parties are now farther There is at least equal ground apart than at any time since for conjecture that since, under 1945. The new Bill to relieve comprehensive schooling. local education authorities of the obligation to change to fully comprehensive secondary schooling was cited by Mr. Hattersley in the Commons as typical of Tory plans which "invariably and consistently support the strong at the expense of the weak, and help the rich to the detriment of the poor.

Tug-of-war

rbetoric, the move can hardly he cited as conclusive evidence Mrs. Margaret Thatcher also evoked strong Socialist protests by taking the same action within 10 days of becoming Secretary for Education and Science in

While the political tug-of-war with the State secondary schools continues, there is a lot less rope. In 1970 there were about 1,000 State grammar schools. To-day there remain only about 300; scattered among 60 local education authorities in England and Wales: 44 others already have fully comprehensive secondary systems. Then, only about a quarter of the relevant pupils were in comprehensives, with the rest split roughly 20/80 bepupil population.

The Bill will not permit local authorities to "unscramble" comprehensive schemes, and will allow those wbo so wish to proceed with plans for the change. Hence the number of State grammar the Government's measure may ernment's measure has the well be little more than 200. advantage of a positive aim. It Of these, several are liable to · be translated into sixth-form ment at the highest levels. Even colleges by local authorities so, in preserving grammar struggling to restrain the unit schools, the Government must costs of education as pupil not divert from the comprehen-numbers fall in train of the sives the money and effort reduced birth rate. The issue needed to provide improved is already largely decided in forms of education for more favour of the comprehensives, than four out of five of the Why, therefore, does the tug- nation's children.

THE CONSERVATIVE Govero- of-war still arouse such strong

academically bright workingclass children are no longer picked out as such by the 11-plus test, their secondaryschool teachers are more likely on balance to neglect them in favour of concentrating on less academically talented, but more socially engaging middle-class There is, however, at least

one practical point for argu-ment. It lies in the fact that However impressive his academically selective schools, betoric, the move can hardly by their very existence, "cream off" from the comprehensives f a widened political division, numerous children with high irs. Margaret Thatcher also educational aptitude. Opponents of grammar schools claim that the creaming-off has depressing effects on the achievements of the other types of schools attended by the great majority of children. Support has recently been given to this claim by the first stage of a research programme led by Professor Micbael Rutter of London gramme

Depressed standards

The study of 12 Inner London comprehensives indicates that those with a good record both for academic attainment and for decent, law-abiding behaviour had a relatively high proportion of academically able secondary moderns. Now, compupils, and vice rersa. The prebensives account for about creaming off of the most five-sixths of the appropriate scholarly few may therefore be represented as depressing the average standard among the many who are academically

Compared with the argument against creaming-off — wbose central object is evidently to prevent average standards from schools effectively preserved by becoming worse—the new Govis to promote academic attain-

The crisis in German plans for nuclear power

ADRIAN DICKS in Bonn



Lower Saxony State Government to allow construction of a proposed "nuclear at Gorleben for what it frankly admitted were political reasons, bas placed the entire future of atomic energy in West Germany in the balance.

For the federal coalition of Social Democrats and Free Democrats in Bonn, the decision was disappointing but hardly surprising. The immediate re-action of the federal Government was to stress its conviction that there is no alternative to Gorleben, and to undertake to continue to try to persuade Herr Ernst Albrecht's Christian Democratic administration in Hanover that the ," integrated nuclear fuel processing centre must go ahead.

In practice, however, the decision taken in Lower Saxony has created a pause for thought, during which not only politi-cians but the public at large will have to consider how far West Germany wants to take up the nuclear option, and if so, at what price. It is probably no bad thing, either, that the country's mind is being concentrated on long-term energy sup-ply at a time when it is both beginning to feel the first effects of the crude oil shortage and being pressed to take more seriously the need for conserva-

The Gorleben project, as con-ceived by the group of West German electric utilities that would build it, would comprise a plant to reprocess spent nuclear fuel, separating unused nranium and newly-created plutonium fuel, for manufacture into new fuel assemblies. It would also include the ultimate repository for Germany's radio-active wastes, tunnelled into the salt domes hundreds of feet underground

plans for Gorleben were:-

· A reprocessing plant with capacity to treat 1,500 tonnes a year of high-burnnp LWR fuel. Storage pond capacity for 3.000 tonnes of spent fuel.

• Fuel fabrication facilities for about 14 tonnes of plutonium a Underground storage facilities

for 30-40 tonnes of high-active waste a year. Underground storage capacity from this concentration of facilities in one place. It would

of low-active waste a year. Bonn sees several, advantages

no nuclear power plant may be bullt without satisfactory provision for disposal of the spent fuel-a point that bas been successfully used by antinuclear groups in getting injunctions against the construction of new power stations. A second advantage claimed for the Gorleben proposal is that it would reduce dangers

inberent in transporting radioactive materials around the country by concentrating as much as possible in one place. In this way the German authorities bad hoped to anticipate conceros about the possibilities of terrorists bijacking dangerous substances and also to prevent simple accidents. Finally, the Bonn Govern-

that Gorleben would go a long way towards making West Germany less dependent on outside energy supplies. Assuming that present development work results in a sale and commercially viable fast breeder reactor, plutonium separated in a reprocessing plant would greatly reduce the need to import uranium by the end of the century. As it is, West Germany bas been among uranium customers of the U.S. that have been given more than a hint of how a future administration in Washington might for 1,600 drums of medium- use this lever, and it has set

active waste and 50,000 drums about looking for alternative gested the site. Until quite Holstein, who barely won re-of low-active waste a year. suppliers in Canada, Australia, recently he has continued to election earlier this month, feet and South Africa.

March 26: 2,000 farmers from Gorleben and nearby villages start out on a march on Hanover, the Lower Saxony capital, to

protest against the plan to hulld a nuclear reprocessing plant and waste disposal facilities in their home region.

Reprocessing has presented similar difficulties. On Wedanswer once and for all a statutory requirement under the Atomic Energy Acts that net's decision against Gorleben, the West German and French Governments confirmed signature of a long-awaited agreement that German-owned plutonium produced by fuel reprocessing at La Hague, in France, will he returned to the Federal Republic. The issue had taken a long time to resolve, creating considerable if not openly expressed strain between Bono and Paris, and threatening an open confilct with the Euratom Treaty's guarantee of free movement of nuclear fuels within the Com-

> In his speech explaining why his cabinet had turoed down the Gorleben plan, Herr Albrecht said he bad no fault to find with it on a technical level, and indicated that the exploratory drillings already begun would continue. If the subterranean salt structure does, on further investigation, prove geologically temperatures of the radio-active wastes, encased in stainless steel, vitrified and huried in narrow sbafts, then it is still open to the Lower Saxony Government to change its mind.

for the State to turn down Gor- where no alternative source of leben on technical grounds, for in spite of some conflict of scientific opinion, it was Herr Herr Albrecht, and Herr Ger- of making itself into a major just a Albrecht himself who first sug- hard Stoltenberg, in Schleswig- force in world markets, is glad fashion.

recently he has continued to election earlier this month, feel speak up for the project. On Wednesday he expressed-Lower Saxony's willingness to see Gorleben developed into one of the "long-term, interim storage" centres for spent fuel that will be required in growing

numbers all over the country while the questions of reprocess-ing and final waste disposal remain unresolved. Herr Alhrecht and his colleagues have been living with the Gorleben issue for several

The Premier himself, moreover, can hardly fail to be aware that it will, above all, he hls bandling of nuclear energy which is likely to determine Bundestag election campaign or at some later time.

Consistent policy

at ils last party conference mated electric generating capa- ing.

18 otonths ago to regard the city at that time. nuclear programme as a mininal It would bave been difficult one that would only go ahead energy could meet demand. Yet CDU State Premiers such as

they bave been left out on a limb by Bonn. Victory for the SPD and FDP

in Scheswwig-Holsteln wuuld bave brought to power an avowedly anti-nuclear Government. It was left to the CDU under Herr Stoltenherg to face popolar anger with policies which be considers really to be the responsibility of Herr Hel-mnt Schmidt, the Federal Chancellor, and Herr Hans-Dietrich Geoscher, the Federal FDP leader, in Bonn. Herr Albrecht

has made essentially the same For the Federal Government, of displacing Herr Helmut Kohl as bis party's candidate for Chancellor, either in next year's Bundestag election campaign. Schmidt and Count Otto Lambsdorff, the Economics Minister, a overall energy arithmetic points justification for bullding Gorle; to the role being rather more ben itself is open to doubt than minimal by the mld-1980s.

West German nuclear industry high is bleak. Kraftwerk Union, the Gorle Siemens subsidiary, which bad high hopes only a few years ago

ventional power station racts. The effective freeze domestic work has hard helped KWU to obtain exp contracts, while it has also se fered from growing uncertain-ties surrounding its dutifieding deals with Iran and from widely reported construction problems in Brazil. Aside from the direct threat

the industry's own concern the further delay and ambiratency towards nuclear energy could cost West Germany any remaining chance of participating ing chance of Participating in a high-technology growth industry in the future Abandon ment of reprocessing (part of the know-bow Germany is self-ing to Brazil) would have the same effect technologically while in commercial fermany risks leaving the field wide open to France.

to jobs, the Government share

wide open to France. More than any other single factor, the Three Mile Islands accident in the U.S. has shaken the confidence of those in West Germany who bave heen sugar

porting the nuclear programme The Chancellpr, Herr Helmit Schmidt, himself has remarked that "deep reflection (hough become necessary, though he still stands by Gorleberg Earlier this weck there were signs that at least some trade union leaders may now be more, reluctant to give atomic energy their unqualified support. It may be true that there are, no

reactors in West Germany of the same type at Three Mile Island — one, to Bahcock and Wilcox's design, is under con. struction - yet people bave become aware that even the best-prepared safety precautions can sometimes go wrong. Doubts about basic safety

have also been increased among the general public by Three Mile Island, while the controversy about Gorleben itself bas shown many people to be against nuclear energy who have nothing in common with the nolsy demonstrators of past pitched battles with police out side construction sites. The pause for thought which

Herr Albrecht has brought about will give Bonn time to try to rally support for the Gorleben concept Herr Albrecht bluntly pointed out that with no fast breeder reactor technology yet in place, and argument over the planned Kalkar prototype Free Democrat, bave continued fast breeder no less bitter than to make clear their view that that over Gorleben, at least one

tan minimal by the mid-1980s. For the time being, the For another, the coalition Federal cabinet has restated its As a party, the CDU has per- could until recently count on existing energy policy goals, baps had a more consistent (as solid support from industry and and has called for further well as more favourable) policy the trade unions for a nuclear energy saving measures, heavily. towards nuclear power than programme aiming at 24,000 emphasising voluntary conserva-either the SPD or FDP in the megawatts installed by 1985, or tion and such prosaic solutions megawatts installed by 1985, or tion and such prosaic solutions coalition, each of which decided about 29 per cent of total esti- as heat pumps and district heat-

ng. Many Germans who feel As it is, the ontlook for the Bonn's past preoccupation with Vest German nuclear industry high technology such as bleak. Kraftwerk Union, the Gorleben has led its energy. policy into a blind alley, will hope this approach is more than just a temporary change of

Trial flight for standby theatre

Will London theatres soon be following the New York ex-ample of selling half price "stand-by" seats just before performances start? Since the beginning of this month, the Society of West End Theatre Managers has been running an experimental scheme offering cheap tickets to students. At an average price of £1.50, plus the presentation of the National Union of Students card, more than 30 theatres are disposing of vacant seats—anywhere in the house sbortly before cur-

tain-up.

In New York, the theatres operating on the principle that seats filled at a discount are preferable to cmpty ones. kiosk near Broadway sells halfprice tickets for the same evening's performances-and runs a sweepstake as well: the top prize is a week of non-stop theatre-going in London.
The London managers are

also saying, "Why have empty seats?" The new scheme has been publicised in universities and polytechnics with the belp of a £10,000 grant from the Arts Conncil. Foreign students are eligible-but not schoolchildren,

at the moment However, the Society of West End Theatres Managers regards this as "an obvious first step" to making standby tickets available to wider sections of the public. A raffle for a cultural hnliday on Broadway may take a little longer.

Early call

a stamp in August to commemorate the centenary of the death of Rowland Hill, who proposed the pre-paid penny post. It seems to have forgotten that In the same month falls the centenary of the first telephone exchange installed in Britain. It was at 36 Coleman Street in the City (the Financial Times was



1959). Perhaps amends will be made at the Telecom 79 exhibition in Geneva in September. The Post Office will be displaying its allelectronic System X, to which it has committed £150m in

at 72 Coleman Street nntil

development costs. There must be a corner somewhere to recall those bistoric moments in Coleman Street.

Euro-brothers

Up at his campaign base in Saltburn-by-Sca vesterday, Sir Peter Vanneck sounded unvote Conservative in the Euro- week from Gatwick to Khar-elections. "The point I'm toum, putting across," he told me Although Lonrhu has breezily on the telephone, "is The Post Office will be issuing that our European representa- line says it will not be relying lion wants to be as Tory as upon the parent company for possible because we have a Tory business. "We are mainly

Government now.' mistic about the future of the commercial director Sam Harris. "Paris Lecture" which he He claims that British Airways, thought of while Lord Mayor of carrying freight on its passenger London alst year. He regards it as an important contribution to Forman brotherhead

tirade against the French and German Governments, and the European Monetary System. It was delivered by a Gaullist mofessor from Clermont-Ferraud-

"He promised to lecture in English," said John Ord, an administrator at the City Unlversity, where the lecture was held. "Then a message arrived the day before the lecture, demanding simultaneous translation. We couldn't get any agency in London to do it at that short notice.

"Luckily, we had a student whose mother is French who salvaged what could be salvaged from a very difficult situation. But it was a blt tedious for people to sit through. . . . We may well end up suggesting that next year's Paris lecture should be held in Paris."

Head winds

The Lonrho-owned freight airline. Tradewinds, has been flying intu some gusty oppusition uver its plans to run a scheduled service into the Sudan. The Civil Aviation Authority heard British Airways' objections to the prupusal three weeks ago and is still deciding whether to give Trade-winds a licence.

The airline was bought by Lonrho last year, but has been operating since 1970. This is the first time that it has applied peturbed by the difficulties of for the right to run a scheduled persuading Cleveland's voters service. Tradewinds wants in (many of them unemployed) to lly Boeing 707s three times a

interests in the Sudan, the airovernment now." transporting machinery for Vanneck was equally opti- agricultural projects," says services, does not have the canacity for such loads.

But what makes Tradewire's

Others seem to have doubts, so keen to get on to a The inaugural lecture carlier scheduled basis is a fear that the Sudan may step up the tioned vesterday-a curious existing 10 per cent royalty on all foreign non-scheduled freight revenues-a scheme designed to aid its own national airline.

Busy day

With the weather improving after lunch yesterday, I strolled down to the Chartered losurance Institute, fancying there must be some material to be extracted from the annual meeting of the Stock Exchange. The battle of a lifetime is about to Practices Court; an entire sea change could come about through memhership of the EEC. And there are plenty of grumbles about rising charges, nnt least the increases in officials' salaries last year. Alas, my notebook remains

Pressing my ear against the glass doors — the Press is not allowed in — was both uncomfortable and uninteresting. Just of the 4.000 complement bothered to turn up, none of them feeling called on to ask any questions. If must bave been a particularly busy day in

Last exit

The elevation of Mrs. Thatcher has not been greeted with rapture in Moscow, as might have been expected. But it has evuked a typical back-handed joke in the Eastern bloc. This describes the British Premier's first meeting with Mr. Brezhney, at which she tells him that if they are to get along well, there is one request he must accede to immediately. "What is that?" asks the Soviet leader warily. "You must allow all the people who want to leave the Soviet Union to 30. without hindrance," says Mrs. Thatcher,

"Ah," says Brezhnev, hrightening up. 'So you want to be

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A Treasury with sharper teeth

CAR

PRODUCTION

SIR GEOFFREY HOWE, the in the machinery of govern-Chancellor of the Exchequer, ment. They arise "from and Mr. Edmund Dell, the for-misjudgment, or because the mer Trade Secretary turned merchant banker, plainly beve a great deal in common, Mr. Dell. pressures on weak ministers." one suspects, would have liked to have become Chancellor himself, but the way was barred within the Labour Party. So be has done the next best thing. He has written down the guidelines as to how a Chancellor It is thus not surprising that and indeed how a Government the responsibilities cannot might best work.

As of the middle of this week, Mr. Dell's lecture to the "Some reflections on catilled Some reflections on Cabinet Government by a former practitioner" bad still not been read by Sir Geoffrey. Nor, so far as one knows, does it appear on Sir Keith Joseph'a suggested reading list for senior officials in the Department of Industry. It is worth dwelling On in some detail.

he is not really a Labour man. The prescription that he lays down applies to any govern-ment, whether it is left or right It has nothing to do with whether one is for or against public expenditure per se. It is simply that public expenditure and public borrowing ought to be controlled.

The second ia that the prescription is remarkably akin to the ideal being pursued by Sir Geoffrey as Chancellor and by Mrs. Margaret Thatcher as Prime Minister. In that sense Sir Geoffrey may be perheps excused from reading the lec-ture after all. Others may not. Anyone whn still wonders what the new Conservative Government is trying to do could do

no better than turn to Mr. Dell. Mr. Dell's thesis is broadly this. Governments' mistakes policy is mistaken or because of the strength of political One of the problems, Mr. Dell goes on, is that British Governments "take upon themselves for political reasons (my italics) responsibilities that they would be better without."

At the same time, he insists: "One insufficiently observed London School of Economics characteristic of British Government is the weakness of the centre." By the "centre" be means mainly the Treasury, though be also includes the Civil Service Department. On the face of it, that is a surprising conclusion, since the conven-tional view both inside and

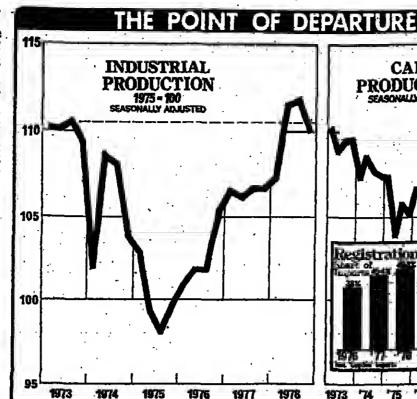
Two preliminary points should be made. The first is point. The Treasury is "greatly that Mr. Dell should be outunmbered to cabinet by exempted from the charge that success is judged by their ability to persuade their colleagues to increase their allocation of public expenditure. There is always a temptation to compromise with the demands of ministers representing the great public-spending departments.
Such compromises necessarily
start at official level, because
the Chancellor of the Exchequer cannot bope to fight every battle in cabinet. Such compromises have regularly taken Governments in this country up to and

> It is true thet there are times when an alliance between the Prime Minister, the Chancellor and the Chief Secretary to the

outside government—is that the Treasury is too strong.

even beyond the danger point nf public borrowing."

this. Governments' mistakes Dell does not refer to it directly, important cablnet committee gerous now could look quite are not usually caused by faults when an alliance between Mr. dealing with the economy. Mr. modest in a few months' time.



James Callaghan as Prime Mini-ster and Mr. Denis Healey as Chancellor could carry any Cabinet meeting almost without apposition.

But such periods are relatively rare and the physical burden is great. Although he did not often show it, Mr. Healey is said by officials to have been frequently exhausted by the sbeer volume of work. The problem is made worse during times of incomes policy because It is the Chancellor who Treasury can stem the tide.

There was a period during the last Government, though Mr.
Dell does not refer to it directly, important cabinet committee

Healey would never have dreamed, for instance, of dele-geting responsibility for pay policy to (say) Mr. Roy Hatterslev at Prices

More often than not, the alliance between the Prime Minister and the Chancellor against spending increases that cannot easily be afforded does not last for long. The political pressures to spend are too greet. Moreover, there is nearly alwaya that clusive argument about economic growth to come. If the forecasts suggest that the economy is turning up, spend-ing plans which may look dan-

The same goes for the related borrowing requirement

Again Mr. Dell does not say so directly, but this illusion of growth bas dogged the Lahour Party for years. It was apparent in the last general election campaign with the promise to increase public spending by £2.5hn based on an economic growth rate of "3 per cent or more." It was never made clear where the growth was to come from. The Conservatives have not

UK: Mr. James Prior, Employ-

from Confederation of British In-

says, "which it is right for the tougher and abler man than his their own reward in the shape Chancellor of the Exchequer to prodecessor. Mr. Robert take in agreement with the Sheldon. (It is sometimes said Prime Minister alone, and the by officials that Mr. Healey did level of public expenditure and not use his junior Ministers of public borrowing are among enough, yet the fact is that one these. The Chancellor has control over his own budget in consultation with the Prime Minister. But it is not enough that he should have control of the revenue side, leaving the expenditure side at large in cabinet discussions. He should be able to determine both, provided be bas the support of the Prime Mioister alone."

Mr. Dell concedes that there might well be a need for consultation with other government departments. But he adds: "It would be consultation only. The decision would not be a Cabinet decision."

It is almost uncanny how closely Mr. Dell's analysis and prescription seem to echo the thinking of Mrs. Thatcher and Sir Geoffrey. One may start at the beginning. Nothing in Mrs. Thatcher's premiership so far suggests that she dissents from the view that the shortcomings of British Government stem in no way from the machinery of government. The machinery may need to be trimmed, but there is no questioning its basic atructure nor the competence

of the higher civil service. Again, the Treesury team has already been strengthened. If counts Sir Geoffrey and Mr. Healey as playing in the same division—though with totally different styles—it is the contrast between the rest of the sides. Mr. Joho Biffen

strengthened. "There are some Financial Secretary outside the compled with the hope that in key economic decisions," he Cabinet. He is an altogether time Tory policies will bring can see why.)

> taken in the Treasury. There appears to be a general awareess that the Tory team means business. Moreover, it is freer since there is at present no Incomes policy to monitor though some officials remain sceptical about bow long this will last. Ahove all the Conaervative Party was elected on a platform of promising to a platform of promising to control public expenditure and is led by a Prime Minister wbo seems to mean what she says.

The rest of the case for fitting Mr. Dell's prescription to the Conservatives' practice is harder to prove, and probably can be proven only by results. It concerns that present hole in the Conservative programme: how is it possible to cut taxes without impairing existing sociel services while et the same time actually increasing expenditure in some areas? Not least, bow are such objectives compatible with the promise of a gradual reduction of the Government's borrowing

There are only e few clues so far. One is that the Government intends to rely more heavily than its predecessor on eash limits both as a means of controlling public expenditure impossible not to be struck by end of enforcing moderation in public sector pay settlements. Last week's ban on new recruitas Chief Secretary will carry ment by the Customs and Excise been free of this problem either.

Mr. Dell's proposed remedy is that not only the role of the Treasury but also that of the Prime Minister should be gor for Mr. Nigel Lawson as ment by the Customs and Excise following a large-scale pay award is indicative of whet Is to come. The other main instrument of pay policy in the public prime Minister should be gor for Mr. Nigel Lawson as sector will be exhortation

time Tory policies will bring of changed public attitudes.

One further clue is the realisation that the size of their parliamentary majority has given the Tories time to play with. The economic changes they plan to introduce may This point has already been now be more gradual than was once thought, and there is a good deal of talk already plan-ning for the second term of office. The first Budget on June 12 is likely to include e balanced switch from direct to indirect taxation, aome cuts in public expenditure and e firm promise of a reduced poblic sector borrowing requirement. But it may not be very dramatic.

Yet to return for a moment to Mr. Dell'a prescription, the Tories do seem to be following it. Mrs. Thatcher is acting, as is ber right, as First Lady of the Treasury as well as Prime Minister. Her alliance with Sir Geoffrey is a close one, and there is an expectation that when this or that spending department is fold to cut, it will come to beel. It may not be quite the constitutional innovation proposed by Mr. Dell, but it is a pretty good de facto imitation.

The real problem is the size of the task. As the accompanying chart shows, it took 4; years for industrial production to return to the level of mid-1973 and even then it began falling again—look et the dotted line. The chart on car production is even more daunting and in itself tells a story about this country and its propensity to import. Output foil but demand did its best to hold up. There could be fer clearer illustrations of wha Mrs. Thatcher is up against.

"a co m Rutherford

Letters to the Editor

The world and the EEC

From Mr. R. Palmer Sir,-I bope that the candidates in the forthcoming European Community elections will not confine themselves to economic metters.

There is, for Instance, the ques-tion of "image." Just as each of the individual countries bas its particular image, so should the Community itself. It should be capable of mak-ing its splendid variety under-

- standable to more and more of its citizens so that, to a greater extent, they can enjoy the fruits
of nice (and later 12) national From Mr. R. Ward

produce new, overarching ideas time is now ripe "for the capeble, at least to some extent, trade union movement to end of combining the best in Right its links with the Labour and Left, East and West.

world opinion. R. M. D. Palmer,

Riehenring 73, 4058 Basle, Switzerland.

Labour Party

Sir,—No, Mr. Hudson (May selfish motives

5) may not dare to ask if the followed by Britain's

Party." To even suggest such Roger Ward. It should be able to show the an idea is surely folly. How world a community which is not many times does it bave to be only big enough but also ettractive enough in its life-style for our Labour movement are its ideas to be listened to and to indivisible. The trade union play a major role in forming movement spawned the Labour Party specifically in order to increase the voice of organised labour in line with Parlia-

Calls for the cutting of the made by those who recognise that such a link is the only That wor'd to ... weapon against the prrely

mentary Socialism.

I suppose that now we bave a Conservative Government the clamour will begin again.

Sir,—Is not the p: civil service pensions :. are linked to the wieleading p..... regularly incentice !:

Electoral results and boundry changes

From Dr. R. A. Lloyd and Mr. D. Papworth

ion is no proof of causation nowever and there may be other tions apply—is 65,000, a figure applanations. It is possible that calculated by the simple prooarginal constituencies are can- cess of dividing the total

rajority as counted by seats in main parties within each group arliament is not the same as, is recorded. od does not truly represent le percentage majority as punted by votes in the country. Ar ur evidence presented here mes not from those whn did rte, but from those who did

G. Papworth. idaeway House. ulton, Didcot, Oxon.

om Mr. E. Staveley Sir,-Since the results of the meral Election became known ere has been much comment Do on the fact that the victorious Ha rty emerged with a majority Sussex only 43 seats despite enjoyan edvantage in the popular Norfolk

From Dr. R. A. Lloyd vote over its principal Notts.

and Mr. D. Papworth mponents which was greater Lincoln.

Sir,—In an analysis of the than at any election since 1935. Staffs.

Mey 1979 Parliamentary Electrical Conservative majority Warwick tion results we have found a does not measure up to that between the turnout in any particular constituency in this election. By the Macmillan Kent Durban ticular constituency in this election by the Attlee government of Cheshir tion and the size of the majority 1945, bas been ascribed in the in that same constituency in the main to the larger Liberal vote previous 1974 election. In other and to the marked variation in words, in this last election mar-ginal constituencies tend to these factors undoubatedly go have higher polls than non- some way towards providing an marginal nnes. Some of our explanation. There is good colleagues thought that this is reason to think, however, that ily to be expected (after they e more influential factor was been told) but so far as we the wide disparity in the size aware this correlation has of constituencies resulting from ever before been proven. the inability of the Bonndary We were led to search for Commission to keep pace with correlation because we the massive population move-that in constituencies ments of recent years. It can ments of recent years. It can be shown that this gave the electorate do not bother to Labour Party a very much we. The reason for this may greater advantage than many their expectation of another have been prepared to admit, the high way they vote, this see which way they vote, this sec-ion of the electorate may feel statistical tables. For purposes heir vote cannot influence the of each it has been assumed esult. They are virtually distinct that the optimum size of conmiranchised by their expecta-ion of the outcome. Correla-remote areas of Scotland and Wales, where special considera-

assed more beevily than others electorate by the number of nd are therefore atimulated to constituencies presently in higher poll. It may also be being. In Table A are listed hat expectation of majority and those counties or large conurba-ize of the poll are related tions within which the sverage brough some third variable, as size of the present constituet unspecified. We think it encies would warrant either an kely that both the direct causal increase or a reduction in their echanisms discussed above are number, and a note is made of perative to some extent, the probable gain or loss to Ithough not equally in all con-lituencies. each of the two main parties resulting from such changes. If electoral apathy in face of Table B takes note of all the n expected large majority is constituencies of which the ne of the causes, then we think registered electorates deviate lis supports the arguments from the norm by more then. dvanced elsewhere for propor-onal representation. These grouped according to the size rguments are usually based on of the deviation, and the numte fact that the percentage ber of seats held by each of the

Tecorac	·		tpe .
rea	TABLE A Average size of electorete	Prohable effect of correction in seats	raing. serva disad
iffolk icks. orcs. imbs.	85,000 80,000 80,000 80,000	Con. + 2 Con. + 1 Con. + 1 Con. + 1	of co and that,
erks. erts. merset	79.000 78,000 78,000	Con. + 1 Con. + 1 Con. + 1 Con. + 2	optin disad This Cons
sex picester orthants orset ants	75,000 75,000 74,000 74,000 74,000	Con. + 1 Con. + 1 Con. + 1 Con. + 2	furting adjusting the bing of

72,000

72,000

71,000 70,000 Warwicks. Con. + 69,000 Cheshire 69.000 57,000 Lab. Birmingham 57,000 Monmouth 56,000 50,000 Liverpool Edinburgh 50,000 Manchester 48,000 Lab. Glasgow 40,000 TABLE B Oversized electorates Seats held Con. 35 Lab. 20 70.000-75,000

Con. 32 Lab. 29 Con. 26 Lab. 7 75,000-80,000 80,000-85,000 85,000-90,000 90,000-95.000 Con. 16 Lab. 2 Con. 8 Lab. 3 Con. 6 Lab. 2 95,000-100,000 100,000-105,000 55,000-60.000 50,000-55,000 Con. 48 Lab. 87 Con. 30 Lab. 48

45,000-50,000 Con. 16 Lab. 22 40.000-45 000 35,000-40,000 Con. 6 Leb. 13 Con. 4 Lab. 9 Con. 2 Lab. 7 30,000-35,000 Con. 0 Lab. 2 Con. 0 Lab. 3 25.000-30.000 20,000-25,000 15,000-20,000 A mere glance et the list of areas in Table A is enough to

confirm that with very few exceptions (e.g. Greeter Loodoo and Durbam) under-representation is a feature of strong Conservative country and over-representation of equally strong Labour country, Marginal regions for the most part do not feature. It can therefore be calculated with some confidence that the Conservative Party could hope to win at least another 19 seats as a result of the creation of new constitu-encles and the elimination of others which the next report of Boundary Commission must able B is even more reveel. Bernard L. Baboulène.

It shows that the Con- 10, Richmond Avenue, SW?" atives are presently at a dvantage in every size-group constituency listed save one. furthermore it indicates the more the size of nituency devictes from the mum, the more acute this dvantage tends to become. can only mean that the servetives stand to make ner gains as a result of any stment which is made to boundaries of aiready existconstituencies. Con. + 2 E. S. Staveley. Rhu na bidh, Shicldoig.

Strathcorron, Ross-shire.

and industrial policy, Construction index 14 Vane Ciose, NW3

Index-linkad pensions

From Mr. A. Flatchet.

V. V. uelie vouch .is

LO COMMING.L. it in about the ... sceptical of t... ing from the cofesting at the table thing to standardise . justify its existence . the standard finality beartily damaed ::

journal. Nevertheless, eleventh bour exertions l few of us who could see computer processing of dend payments would ! the standard in fact m . cessions to this prowhich has of course c:

in the event.

praise in an anonymous de

article in a relevant prolession:

My main contention time, bowever, was that the creasing concentration c actual processing wor ... and fewer quoted comp bank automation and so would in course of time matically reduce the varieformat and layout, in c words that there was in . an inherent tendency to:.... atandardisation and that a re mittee on the subject " fore redundant.

This tendency doubtedly run its comme, there is thus less were: than there wes. It may be bowever, that with the spread experience of com processing now available " time has come for a remine British Standard. It show certainly be a much lolaborious business than it 19--

hoods ever boots or tranks in ' c' regions. D. G. Lowry, Withy Gotes. Gorse Woy, Hortley, Kent.

Teday's Events

Visit by Prince Charles to CONTIGIAL STATISTICS dustry for discussions on trade unloo reform, pay bargaining and incustrial policy, and incustrial policy, and incustrial policy, and the control of the con

Centrel Statistical Office nec-

Final diridends: John Beales, reinted Companies, Fashir and General Investment. Edward

Transformations: Bovis shows the way

Managing transformation scenes is Bovis's speciality. Transforming a bare or derelict site into a revenue-producing building; transforming a run down building imo a modern, productive one; transforming a business, held back by inadequate premises, into one with scope for expansion.

Bovis can do this anywhere, no matter how remote the site or how difficult the conditions.

But one of the most striking transformations has been the change in Bovis itself. In the past 50 years we have transformed ourselves from a local London contractor operating on conventional lines into a world-wide organisation working exclusively on a management fee basis.

Generally we are main contractors, but because what we offer is construction management we can help you as much, or as modestly, as may suit you. For example we can arrange the money, find a site, choose sub-contractors, help with design, set a timetable and methods of payment - in fact take virtually the whole burden off your shoulders. We can send a complete team, or provide just a few key people. And you won't wake up in the night sweating about the mooey. The basis of our payment is settled in advance.

Ring 01-422 3488 and ask for Harvey Davis. He'll probably be able to help you quite a bit there and then.

Boyis Construction Limited	
Bovis House, Northolt Road, Harrow, Middix.	
HA2 0EE. Tel: 01-422 3488. Telex: 922810	
Please send me devails of your services.	



R/Dutch Shell boosted by HIGHLIGHTS stocks and currency gains

AFTER NET currency gains of ter, the directors explain that included £32m from the disposal fe7m. compared with losses of net income was higher for two of the sbare in Geogral Atomic's main reasons—the distorting uranium and light water reactor fuel business. £618m in the first quarter of and inventory appreciation 1979, compared with a break-reflecting the FIFO method of even position in the same accounting which is used by period of 1978—restated from most Shell companies. £6m originally reported.

However, trading conditions particularly marked as the were substantially affected by higher costs of purchases followcrude oil price increases and by ing the OPEC price increases in the disruption of Iranian the period were out fully exports. While product prices reflected against current quarter increased in most markets these income. were not sufficient to keep pace with the overall rise in supply

that the start to the year was dollar earnings growth of 16 per "not as good as the figures at cent mainly to higher crude oil first suggest." The group still and natural gas prices. The 25 needed to improve margins to per cent increase in Shell finance inventories at bigher Canada's dollar net income was prices and to carry out large largely due to improved product capital expenditure programmes. Frices and sales volumes.

Last year Shell group spent Excluding these two comjust over £2.3hn and in 1979 panies, sales volumes of oil pro-

expenditure was expected to con-Melaysia. In Canada negotia-tions were continuing for a major project to produce oil from tar sands.

In the first quarter of the current year group capital expenditure world-wide totalled £438m—some £60m leas than in

U.S.\$30m 91 per cent guaranteed

hands 1991 at a price of 99 per

Grnup, the insurance concern.

Each bond of \$1,000 will have

one warrant attached entitling the holder to acquire 150 regis-

mately 7.5 per cent over the middle market price at the close of husiness on May 16.

Warrants will be detachable immediately and will be exer-

cisable oo and after June 1, 1980

up to and including June 1;

ordinary shares in

Alexander Howden at 100p each are (subject to adjustment). This today. represents a premium of approxi-

tionally and irrevocably guaran-deutsche teed by Alexander Howden zentralc.

The effect of this method was

The directors report that the contribution by Shell Oil of the U.S. and Shell Caoada to group Mr. Michael Pocock, the chair-man, said at the AGM yesterday £27m. Shell Oil attributed its

ducts were maintained at the tinue at the same high level. level of the 1978 quarter, but
The chairman said the main were slightly below the fourth
thrust would be in North Sea
investment, in, U.S., domestic The sales volume of natural

sources, in the development of gas increased by 8 per cent coal sources, and in a new reflecting cold weather in liquified natural gas project in Europe. Chemicals earnings Melaysla. In Canada negotiations were continuing for a 1978 due to increases in sales major project to produce oil However, the directors say that with further feedstock cost increases the outlook for chemicals remains uncertain. Metals results benefited from

e same period of 1978. general improvements in world Commenting on the first quar-prices. First quarter 1979 results Alex. Howden \$30m bond issue

by Amsterdam-Rotterdam Bank,

Group, Nomura Europe, Salomon

Listings have been granted by

the Stock Exchange for the

attached, and for the bonds and

the warrants separately. Dealings

Gross income of the Scottish

European Investment Company increased from £931,869 to

£1,072,000 for the year ended March 31, 1979. Revenue avail-able for ordinary holders

1991. March 31, 1979. Revenue availagainst £1.06m.

The honds with the warrants able for ordinary holders At midway, net profit was up attached are being offered emerged ahead by £6,219 to from £859,435 to £939,847.

are expected to

SCOTTISH

EUROPEAN

International

Landesbank Giro-

Arrangements have heen com-pleted by Alexander Howden cate managed by J. Henry A net Finance B.V. for the issue of Schroder Wagg and co-managed raises the

The bonds will he uncondi- Brothers International and West-

Krediethank

fuel business. Long-term debt amounted to £3.4bn at March 31 and cash and

sbort-term securi	ties £2.71	bn.
Revenues:	Firs1 1979 Em	querter 197 £
Sales proceeds .	7,918	6,90
Salee taxes, duties	1,588	1.38
Leaving	6,330	5.51
Other revenues	184	13
Share of assoca	188	5
Interest income	70	5
Making	8,752	5.75
Costs and expenses:		
Purchases and		
expenses	4,509	4.19
Selling expenses	580	73
Exploration	79	7
Research and dev.	. 45	.4
Depreciation, etc	206 85	17
interest	608	42
Taxation	40	2
Minorities	6,134	5,7
Net income	618	3,7
HOL HILLIAM	0.0	
CRUDE SUPPLY	Tho	usand
		a dally
Europe	320	18
Africa	518	50
Middle East	1,358	1,71
For East and	165	- 11
U.S.A	551	56
Canada	77	6
Rest of Western		
Hemisphere	217	22
Local purcheses	1.304	1,04

A net final dividend of 1.25p

raises the total from 1.5p to 1.65p per share, costing £247,500

Net asset value per 25p share is abown up from 53.1p to 57.8p.

Profit after tax of Whithread Investment Cumpany went ahead from £1.74m to £1.93m in the year to March 31, 1979. Stated

earnings per 25p share are up

from 4.13p to 4.6p.
The final dividend of 2.9034p

raises the total from 4.0776p to 4.5535p net.

Tax for the year took £1.09m,

Whitbread

Investment

advances

totalling 3.13m shares.

Hendry and Company. The directors believe the com-

pany's present forms of expan-sion should continue. Negotia-tions are at an advanced stage. or have recently heen completed for the acquisition of shop investments in Dumbarton and Hamilton and of office, industrial and warehouse premises in Aberdeen and Inverness. The total amount involved is around £3.3m cash, part of which would be income producing during the

current year.
In addition, the company is about to start a two to three year programme costing in excess of £3m, and payable in cash, for the construction of industrial estates in Glasgow, Edinburgh and Dumfries and for office refurbish-ing and supermarket projects in

Lex looks at the figures for money supply in April and discusses the monetary pressures facing the new Chancellor. On the company front the Royal Doteb Shell has reported bumper profits for the first quarter, although this is largely explained by special non-recurring factors and the underlying magins on oil husiness do not seem to have improved on the last quarter. Lex also looks at two German stores; the German Government has imposed a temporary ban on the issue of Deutsche Bark honds, and chemical group BASF has shown a sharp increase in first-quarter profils. Elsewhere, Dutton-Forshaw's price fell despite a good rise in profits, and brewer Matthew Brown has made a reasonable showing. Among the engioeers John Folkes Hefn is looking for a return to growth this year; Redman Heenan has improved profit margins, but Whessee has had some problems on heavy engineering.

Scott. Metropolitan asking for £7.4m

They any that the company does not rely on short-term

borrowings to finance its invest-

ment programme. Having regard to the cost of servicing long-

ing the directors believe that

additional finance should now he raised by a share issue.

Scottish Metropolitan's rights

of raising cash given that the company chooses not to finance

its expansion programme hy way

of short-term bank borrowings

and the long-term fixed interest

market is more expensive. Given

on the proceeds, the consequent

investment income will prohably

make the £1.85m profits fore-cast look a little conservative.

Even after the company's ex-penditure commitments, there

will be a useful surplus—and coupled with a healthy cash flow, this gives the company wide

flexibility to take advantage of

market, opportunities as they

arise. The ex rights yield is 2.7

per cent.

issue is possibly the hest

comment

Sharebolders of Scottish Metropolitan Property are being asked for about £7.4m through a rights issue in order that the group can continue its expansion pro-

terro debt and also the amount of Scottish Metropolitan's con-At the same time the company Scottish Metropolilan's con-vertible capital already outslandforecasts an increase in pre-tax profits from £1.27m to about £1.85m for the year to August 15, 1979—a net final dividend of 1.6p on the increased capital will lift the total from 1.87285p to 2.5p.

A total of 6.23m new ordinary shares are being offered to the holders of ordinary stock con-vertible debenture stock and other convertible loan capital at 115p per share on the hasis of one-for-eight, or which would be held on conversion.

Guardian Royai Exchange
Assurance Group, Royal Insurance Group and USF Nominees
(the nominee company for
Unifever Superannuation
Truatees) have irrevocably
undertaken to take up their
entitlements under the issue Guardian Royal Exchange

The remainder of the issue has heen underwritten by Kleinwort, Benson. The brokers are Laing and Cruickshank and Stirling.

MAXIM'S Maxim's has announced the allotment hasis for shareholders upting for a scrip issue in lieu of dividend. Residents of the UK and Scheduled Territories will be entitled to one share for 141

held, and residen's outside the UK and Scheduled Territories will get one for 115 held.

Dutton-Forshaw jumps 30% to record £4.2m

A 30 per cent increase in pre-tax profits to a record £4.17m is reported for 1978 by Dutton Forshaw Group, distributors of motor vehicles and agricultural and construction machinery.

The directors state that despite Bank of Ireland the problems of BL ibe group has sold a record number of BL cars. and commercial vehicles—40 per cent of profits came from BL cars outlets. Jack Barclay, the Rolls-Royce distributor made a sharply higher profits contribution and demand cootiques to increase.

Despite the Ford strike Harrogale Molors increased profits and made a substantial contribution to the group.

The agricultural and construction machinery division pushed up profits 21 per cent to

At the net level profits showed a 33 per cent nicrease to £3.72m while earnings per share come through 8 per cent higher at 14.1p. The dividend is increased from 2.805p to 3.13p net with a final of 1.85p.

On the current year the direc-lors report that operations were affected in January and February industrial troubles, in particular the transport strike.

In the car outlets margins have been affected by increased competition and price cutting, but il is hoped to return to more orderly trading during the rest of the year.

Sales of new and used Rolls-Royce cars remain at record levels, and profits are higher. The group's moves into Ford and Chrysler are well established Beiween 1976 and 1977 the

group's horrowing ratio fell from 0.87 to 0.73. During 1978 the ratio bas fallen to 0.69. Furthermore, new arrangements have heep made for financing the purchase of BL cars. These include the repayment of bulk deposits with BL cars amounting tn ahout £4m, and will reduce the borrowing ratio still further.

The group bas continued its policy of selling surplus proper-ties and in 1978 sales realised f1.1m-a net surplus over hook value of £237.000. A professional valuation of the group properties is being arranged during 1979.

• comment

Datton's share price dropped 3 p to 50p yesterday despite the

Current payment payment div. Barlows Matthew Brown ...int. Aug. 3 Dutton Forshaw J. Folkes Hefo July 10 Amos Hintonint. June 30. 2,15 June 22 Industrial & General ... Midiand Inds. ... int. July 2 July 6 Sept 28 July 13 Scattish European Inv. 1.25 Stockholders Inv. ...int. 1.1 June 28 Third Mile Inv. C. and W. Walker Whessoeint July 20 Whitbread Inv. July 20 Witan Inv. 1.45

DIVIDENDS ANNOUNCED

Dividends shown pence per share net except where otherwise state Dividends shown pence per share net except where differences stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ After adjustment for scrip and share split. § On or after July 6.

30 per cent jump in pre-tax pro-

fits. The market, huoved up hy

strong results from other motor

dealers and mindful of Dutton's

68 per cent first balf jump had

been expecting more. The B.L.

side was the problem. Competi-

tion bas heen botting up and

margins are coming down hy as much as 20 per cent. Dutton sold a record volume of B.L. cars

and trucks but the profit contri-hution was about the same as in

1977. The Rolls division had a very successful year, contributing roughly 37 per cent of the total

profit. The agricultural and con-

struction equipment business also improved its position. The group is endeavouring to solve the margin erosion by huying

out B.L. competitors, merging the business and selling one of the sites. This should help in 1979 as will the new Cardiff Chrysler dealersbip. The halance

sheet has been strengthened by

the sale of surplus property and the new B.L. financing arrange-

ments have released a further £4m which is now filtering through. Even if shares are issued as part consideration in

bid or a tights issue is made

Pyramid improves to £0.25m

OFFSET BY an expected decline in interest receivable on monies due from the sale of a former. subsidiary in 1975, pre-tax profits-of Pyramid Group (Publishers)-improved by £12,140 to £249,837-for 1978. Turnover was ahead at: £1,369,805 against £1,037,697

Trading profits advanced from £126,364 to £187,706, reflecting the benefits of acquisitions made in the previous years, before the reduced interest of £61,231 (£111,133).

Tax takes £138,888 (£131,845) and with an extraordinary credit of £78,457 this time attributable profits increased from £105,652

Stated earnings per 10p share were up at 5.5p (5.3p), before the extraordinary item, and at 9.5p (5.3p) after. A net finaldividend of 2.18433p lifts the the rating is looking very attrac-tive—the p/e is 3.4 and the yield 2.73633p—the maximum per-

Ladbroke now one of the top 70 U.K. public companies

Mr. Cyril Stein, Chairman and Managing Director, tells shareholders in the group's annual report "Today we operate ten large and successful businesses, employ over 15,000 people and rank in profit terms within the top 70 U.K. public companies . . . we look forward to the future with confidence."

Profit for 1978 was £41.4m on turnover of £469m, once again maintaining the series of record figures for each consecutive year since becoming a public company in 1967.

The Group's payments to the Exchequer and local government amounted to over £50m; foreign currency accepted by the Ladbroke London casinos amounted to £49m.

The dividend of 7.8166p per share is the maximum permitted and is covered 5.1 times. It is the directors' intention to recommend a substantial dividend increase as soon as possible.

Asset value per share has risen to 158.65p and net assets employed of £178m include £15m in cash and government securities. Capital expenditure in 1978 reached an all-time high of £44m.

Ladbroke Racing, the brand leader, increased the number of its retail units to 962 and total floor space by 11%.

Ladbroke Casinos in London and the provinces have brought new standards to the industry and have achieved a pre-eminent reputation. Additional casinos will open shortly in Bristol and Newcastle.

Ladbroke Hotels now operates 30 hotels and motor inns in England, Scotland and Wales and is very much a force in the hotel industry.

Ladbroke Holidays, with 29 holiday operations catering for over half a million holidaymakers during the season, is firmly established as the third largest operator of U.K. holidays.

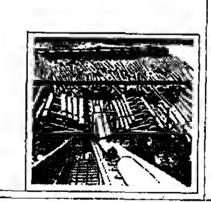
Ladbroke Pub and Restaurant chain plans to expand rapidly and has recently acquired the R. V. Goodhew Group.

The value of the property division's investment and dealing properties will be over £100m when projects in hand are completed.



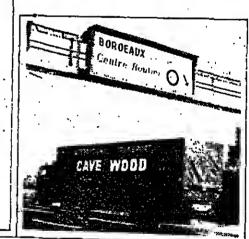
Copies of the Report and Accounts are available from the Secretary, Chancel House, London NW10 2XE.

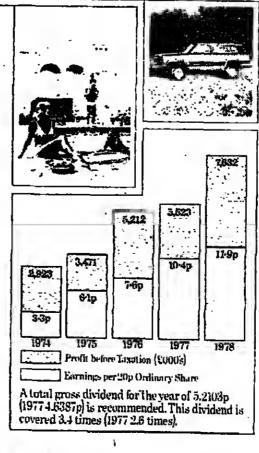
Another record teg

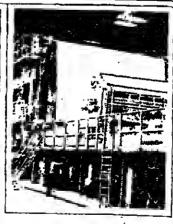


Record profits again in 1978-I am confident our results will improve further in 1979...

Kenneth Thorogood.









International Trade Finance Short and medium term credit for the international movement of manufactured goods and raw materials.

Price & Pierce

Forest Products and paper making machinery. Overseas package holidays and holiday villas.

Investments

Motor vehicle concessions, distribution and retailing, international transportation, warehousing and forwarding; food processing; engioeering services to commerce and iodustry.

Tozer Kemsley & Millbourn

Copies of the 1978 Report and Accounts from the Secretary, 28 Great Tower Street, London EC3R 5DE, Tel: 01-283 3122 (Ext. 272)

but prospects brighter A FURTHER profits fall is forecast-by Whessoe, the Darlington based engineering group, for the year to September 30, 1979. In 1977-78 profits fell by £0.5m to Increased activity next year and the second six months to finish the first and shread 25p share are stated to be lower at 5.5p (6.3p). The interim dividend is raised from 1.97p to 2.167p—the total for 1977-78 was 5.141p. ALTHOUGH TAXABLE profits dropped about £50,000 were down £0.4m to £1.51m at midway. John Folkes Hefe, the engineering group, recovered in the second six months to finish the second six months to finish the first and shread

based engineering group, for the year to September 30, 1979. In 1977-78 profits fell by £0.5m to £2.8m but this was after exceptional and the second second

1979 pre-tax profits are lower al conl award of the flom Dray fo.98m against £1.13m—at the power statum contract in the UK trading level heavy engineering showed an improvement from £0.52m to £0.59m while ight engineering was down from 10.38m to 10.36m and the contribution from Ailon fell from £1.28m to £1.14m.

Lord Errotl, chairman, says that U.K. heavy engineering will continue to be affected for some time yet by the reorganisation of the Darlington works in rendicess for expected nuclear work. The chairman says that overall capacity inading is not yet adequate and profils remain

However, he points out that contract negotiations for a large volume of nuclear fabrication and construction work are now at an advanced stage. If these at an advanced stage. If these trading pricts are concluded sonn, the performance of the heavy engineering the method at \$10.52m\$ (\$0.57m\$) for side should begin to benefit from the half year and earnings per success of the nuclear move.

on lower turnever in the half-year to March 31, 1979. The sur-

plus came out at film, against

£961.000, on turnaver down from

The directors say the group is

now trading well and they anticl-

pate a successful result for the

15-month period to December 31

this year. From 1980 onwards the company will benefit from full working on all capital plant

installed over the past years and the Board expects a continuing.

hoisted from 0.53p net per 5p

share to 1p. The directors con-

sider the increase prudent in the light of the group's trading pal-tern. A total of £42,000 (£22,000)

The final dividend will be re-

viewed when Government rolley

is clear. Last year the group paid a total of 1.161p on taxable

The directors point out that

the half-year results were

achieved in the face of strikes at major customers and, in parti-

Apartments

London WI

Luxury Furnished

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profits of £2.11m.

will be waived by the chairman, his wife and a director.

record of profitable growth. The interim dividend is being

£11.4m to £10.9m.

Industries were virtually static held up large export orders.

change adjustments.

The group continues to win In the half year to March 31, work abroad, and with the re-Aiton is in a strong position to sustain its level of activity well intu the future.

First bulf
1978-79 1977-78
-E000 23,948 34,056
12,029 25,714
2,578 2,473
9,371 5,57
2,090 2,172
587 180
1,144 1,275
506 597
413 126
1,128
343 2.
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574 155
807 \$ 1261
1,128
343 2.
174
18 507 \$ 1261
18 507 \$ 1261
18 507 \$ 1261 Sales Heavy eng. Linh) eng. ... Ailan

The charman soys that although there is no improvement in market conditions the head engineering activities con-tinue to show useful sales and

Chonderable reorganisation

and rationalisation is going on.

RM! (Forgings) has been sold

and the group has disposed of

Foundry production will be

concentrated at Bingley and Smethwick where major capital expansion has been carried out

over the past few years. By the end of the current financial period the foundry operations

will be using new plant equal to anything in Europe. This will boost nulput and enable the

group to supply a more sophisti-

caled range of castings, the

Tan for the half-year takes £521.000 (£500,000) leaving net

profit of £481,000, compared with 1461,000. After dividend costs of

£87,000 (£47,000) retained profit

is down from £414,000 to

GRAMPIAN TV

directors say.

the Aeme Tool Company site.

Whessoe's heavy engineering side is causing problems. For a start it is still being affected by the reorganisation of the Darlinginn works and ll is having a lough time finding new orders following the drap in demand from its major customer, the oll industry worldwide. It is pinning its hopes on a large nuclear fab-frication and construction cuntract. If Whessoc gets the order then the future is relatively hright, but if not it will be struggling. On the light engineering side sales and profits are holding up welt despite the tanker huilders. Aiton is doing well in the UK, Australia and Canada hut the strong pound takes the edge of the latter two's figures on conversion.

Profits for the full year look tike being around 12.5m and, with the shares at 124p, the prospective fully taxed p/e is 9.6 and the yield is 6.9 per cent. The shares

Midland Industries raises interim 0.42p on account of the year ended February 28, 1979. The total for the year, there-fore, remains at 2.44p (2.2p).

Morland's growth continues

FURTHER PROGRESS the Ahingdon based brewer and wine and spirit merchants, in the half year to March 31, 1979 with taxable profit moving ahead from £429,675 to £505,533

Io December the directors had said the outlook remained uncerlain hut figures for the first months of trading were encouraging. For the whole of 1977-78 the surplus was a record £0.96m

The net interim dividend is effectively raised to 0.75p (0.6875p) per 25p share. A final The Treasury has refused equivalent to 1.1143p was paid permission for Grampian Tele-

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Recovery for Folkes Hefo

A divisional breakdown of 1978

profits before lax and loan stock inlerest of £3.52m (£3.1m) shows (in £000s): Industrial property £1.219 (£1,1401; engineering £4.93 (£3.55); housing £153 (£261 loss).

on an historic p/e of 5.4 and a yield of 7.3 per cent. At the target level of recovery, a same again 20 per cent tax charge implies a 4.5 p/e which ts yet to discount the benefits of investment and loss elimination. After tax of £695,000 (£324,000)

net profits improved from £2.74m to £2.81m. The dividend total is raised from £3.84778p to the maximum permitted £5298p net. with a 1.0899p final.

There were reduced extraordinary debits of £159,000 com-

pared with £975,000, and retained profits emerged up from £1.06m

at around £4.25m pre-tax. The bousing division, with a £414,000 furnround, was responsible for much of the 14 per cent improvement last year and is expected to perform well again in 1979, to perform well again in 1979, despite some contraction of currently wide margins. Bull JFH will be looking to the forging, building supplies and steel divisions for the advance which it is confidently seeking over the next decade. Forgings made around £400,000 against £:30,000 and could contribute perhaps something over film in

1978 higher at £3.5m compared 267m to at least £30m and the with £3.06m. Turnover rose from additional sales should achieve £64.94m to £67.47m. a 6 per cent pre-tax margin. The directors say that in the first four months of 1979, profits

£207,000 but improved labour earned are at a higher rate than in the first half last year. With the trend upwards, the full-year result is expected to be greater than for 1978.

Additional heavidage of 1978. changed at 321p yesterday, are on an historic p/e of 5.4 and a

Witan dividend up 15%

At the year end, net assets showed an 11 per cent increase tu 40p.

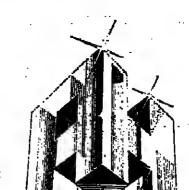
• Comment

John Folkes Helo believes it will return to a growth tack this year and both internal and external estimates ore pitched at around \$4.25m pre-tax. The

were up 0.28p at 2.7p from which is paid a net tolal dividend raised 15 per cent to 2.65p (23p) by a 1.45p final. Dividends absorb £2.19m (£1.88m).

At year-end investments and

perhaps something over £1m in Interest charges were higher 1980. The cycle, the group feels, iurned last autumn after a two-and-a-half year downturn. Steel (£0.46m).



Interim Results On Target

Interim Results (unaudited) for 6 months ended 31 March, 1979

Turnover	6 months to	6 months to	Year to			
	31st March, 1979	31st March, 1978	30th September, 1978			
	£000	£000	£000			
	24,282	15,039	34,270			
Trading profit	1,216 (22)	949	2,885			
Interest payable		(47)	(73)			
Profit before taxation	1,194	902 (236)	2,812			
Taxation	(358)		(709)			
Profit after taxation Extraordinary items	836	666	2,103 83			
Dividends:	836	- 666	2,186			
Preference	(6)	(6)	(12)			
Ordinary	(372)	(150)	(302)			
Profit retained	458	510	1,872			

★ The Directors declare an interim dividend of 2.0p. net per Ordinary share (1.009p. net last year) equivalent to 2.985p. gross, payable on 28th September, 1979. This increase is in line with the forecast made at the time of the recent rights

* Results for the year as a whole should show a further useful advance on

Redman

International Limited PO. Box 29, Shrub Hill Road, Worcester, WR4 9EQ

Act now on energy

Extracts from the speech by the Chairman of The "Shell" Transport and Trading Company, Limited, Michael Pocock, at the Annual General Meeting on Thursday, 17 May

Events in Iran give all consuming nations a long-term warning to act now to reduce dependence on imported oil by developing both conventional and alternative energy supplies and by sensible conservation, or there may well be hard times ahead. Considerable investment will be needed, with prospects for new jobs and attractive financial returns.

We find it difficult to envisage a future world adequately supplied with energy in which fission-based nuclear power does not play an important part. Most governments seem to accept this necessity and look upon the Harrisburg accident in the United States as a warning to check safety requirements, not as a reason to halt their nuclear programmes.

Investment bears fruit Shell companies are spending heavily to provide future energy. In 1978 the Royal --Dutch/Sbell Group's capital expenditure

amounted to £2,300 million, more than double its net income for the year. The highest proportion went to find and develop new sources of oil and gas.

North Sea operations are reaching fruition after years of high-cost, high-risk investment and exceptional technical endeavour. By the mid-1980s the Shell share of production from UK waters should reach 450,000 barrels a day of oil and natural gas liquids; plns dry gas deliveries averaging 650 million cubic feet

The major individual fields have already been discovered; the future will depend on the successful development of progressively smaller discoveries. With a sensible taxation and licensing policy, it should be possible to

maintain the UK's self-sufficiency in oil and gas to the end of the century. Without it, the country could again be a net importer of oil well before the end of the 1980s.

Stocks are low

The immediate impact of the 1978 oil cut-backs was cushioned by suppliers' ability to draw on their existing stocks. Our assessment is that world stocks at the end of the first quarter of this year were as low as they can realistically go. Even with Iranian production back on stream, there are problems. We hope to avoid a summer petrol shortage but we are concerned now about the provision of adequate supplies of heating oil for next winter.

Capitalisation issue

The capitalisation issue of one share for each share held will not alter the overall value of the Company, but it will enhance the marketability of the shares and will bring the Company's share capital closer into line with the value of assets employed. It does not, however, lead to a higher level of dividends.

We've made you an office you can't refuse Eleven Albion Street - 21 floors of what are,

quite simply, the finest office suites in Leeds. And you don't have to take our word for it. Have a chat with IBM or Touche Ross-just two of the companies who've already told us just what ... they think of our standards. They moved in last year.

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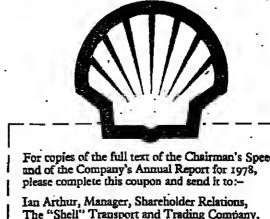
Space remaining 1st floor - 13,300 sq. ft. 2nd floor - 20,750 sq. ft. 3rd Floor North Wing suites from 900-8,100 sq. ft. for further details, contact:

Niael Hunt





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For copies of the full text of the Chairman's Speech The "Shell" Transport and Trading Company, Limited, Shell Centre, London SE1 7NA.

Companies and Markets

Wigfall short

Redman Heenan improves Amos Hinton falls £0.4m but expecting upturn 32% at six months

international. first six months of the current in pre-tax prinits from 1902,000 to £1.19m.

Turnover jumped 61 per cent to £24.2810, hut the directors explain that £6m of this was in respect of long term contracts which made no contribution to profits. In the previous year, turnover totalled £34.27m.

The directors report that the rate of order iotake has remained reasonably encouraging during the 6rst half, and full year results are expected to show a further useful advance over the

Half-yearly trading pro6ts climhed 28 per cent to £1.22m, before interest charges of £22,000 (£47,000). After tax of £358,000 (£236,000) net profits increased from £666,000 to £778,000. In line with the increase fore-east at the time of the recent

rights issue, the interim dividend is slepped up from 1.009p to 2p not per 10p share on increased capital—payments totalling 4p have been projected for the current year compared with 2.027p in 1977-78. The ordinary dividend absorbs

£372,000 (£150,000 comment

FOLLOWING THE record £2.81m 21.6 per cent at Redman Heenan profit for the year ended international, so margins have september 30, 1978, Redman improved by half a point to 6.5 the per cent at the pre-tax level. It is specialised engioeering group, encouraging that very little of this increase was attributable to loss reduction. The £6m was conyear, with a 32 per cent increase tributed by the former lossmaker, Heenan Environmental Systems, and losses on these contracts have already been written off. The company is scarcely an agreement, obtaining any tax relief on losses now, however, so the charge is rising steadily and holding down the net earnings figure. The stated charge for the first-half was 30 per cent. still fairly low because of relief on around £2.5m of expenditure foreseen for this year. Pre-lax profits for the year could well rise to around £3.2m which, al 75p, puts the shares on a prospective p/e of 6.1, on the basic of a 30 per cent lax charge hasis of a 30 per cent lax charge.

Dhamai Hldgs. accounts delay

On a fully-taxed basis the rating is 8.9.

The Board of Dhamai Holdings says that because of the usual difficulty in obtaining information from Bangladesh publication of the 1978 accounts will be delayed to July or

It anticipales that the year's total income wilt be similar to that nf 1977, but with lower Stripping out the £6m in turnover which contributed no profit, the underlying sales growth was

bills of exchange receivable to date Bangladesh have been met, The. directors are pressing their overseas agents 10 send the remittance to the UK of at least

Bangladesh tax demands have to some extent been modified hut the Board is still far from

Industrial & General up 19.2%

revenue, from £3.97m to £4.74m, after tax of £2.65m, against £2.33m, is reported by Industrial and General Trust for the year to March 31, 1979. Gross income for the company, which is a memher of Touche, Remnant Management Group, was 3.4 per cent ahead at £9.66m.

Stated earnings per 25p share improved to 2.21p (1.88p) and a net final dividend of 1.45p lifts the total by 22.9 per cent to 2.15p

Year end total net assets amounted to £204.2m (£169m) including equivalent to 84.4p (67.5pt per share with prior charges and par and including 3.7p (5.3p) iovestment currency

drinks group, were below expectations for the year to March 3, 1979.

The surplus fell from a record £1.73m to £1.38m on turnover ahead from £61.06m to £65.34m. The figures reflect the introduction of the new distribution systems, and include the costs of starting up the Canny discount

At midway pre-tax profits were also down-from £988,000 to £852,000. The directors then said the downturn was due to the price war and the distribution

system changes.

However, the Board now says
that the company development plan should produce substantial henefits this year.

The tax charge is down from 1905,000 to £319,000 and stated earnings per share are up from 15.000 and 15.000 a 15.06p to 18.92p. The net final dividend of 1.6241p lifts the total

from 2.9094p to 3.2241p.
The attributable figure is up from £702,000 to £993,000 after a fall in extraordinary debits from £126,000 to £48,000.

comment

Amos Hinton is clearly one of the casualties of the supermarket price war although the group's problems have been exacerbated hy major changes in the group's distribution systems. Superdistribution systems. Super-market sales for the full year showed only a 5 per cent in-crease, reflecting a worrying to 69.9p basic, but up from 67.8p volume shortfall, and profits to 69.1p diluted. The dividend slipped by a fifth to £1.35m, total is lifted to 17.5p (15p) net while three more supermarkets with a final of 11p.

Hinlon and Sons, the food and the period. Elsewhere, teething the group's properties has drinks group, were below problems and January's lorry resulted in a surplus of £10.29m. drivers' strike resulted in a £55,000 loss for the new Canny and attributable profits were up operation but this was offset by from £25.52m to £29.04m. The a £60.000 contribution from off-balance retained emerged at liceoces, thanks mainly to

acquisitions and new openings. In the current year Hinton should have surted out its distri-bution problems but it is still early days to judge whether it can, like other supermarkets. start improving margins. The low lax charge puts the p/e at 5.5 while the yield is 4.7 per cent

Increase by Bank of Ireland

AFTER REPORTING unchanged mid-year profits of £20.41 m. Bank of Ireland ended the March 31. 1979, year with taxable surplus ahead from £42.85 m to a record £46.91 m.

At the interim stage, the directors explained that due to changes in trading pattern, second half results were expected to show a considerable improvement.

A professional revaluation of Tax took £17.48m (£17.03m) halance retained emerged at £21.5m. against £20.15m.

C. Walker improves to £0.77m

unrest and severe weather in unrest and severe weather in the final quarter, taxable pro-fits of C. and W. Walker Hold-ings improved from £735,151 to £731,135 in the 53 weeks to February 3, 1979. Turnover moved ahead from £6.1m in the previous weeks to £7.2m.

Mr. George Lewis, chairman, says this year began with renewed vigour, and the recent acquisition of Lakers (Northern) and the capital spending programme of the past three years. "should ensure continued

After tax reduced from £270,199 to £232,098, net profit rose from £464.952 to £539,037. A final dividend of 3.85p net per 25p sbare lifts the total from 6p to 6.6p. as forecast al midway. There is also a five-for-four scrip. Earnings per share are shown to have risen from

Henry Wigfall, the TV and electrical rental and retail group, will fall slightly short of its profit predictions for the full year, as a result of the lorry drivers dispute, the Price Commission's criticisms and interest ale levels. However, Mr. Frank Morrell, shown below are based a

the chairman, said yesterday that year's timetable.

with the final figures not yet complete he house the total said he plete he hopes the total will be "not too far off" the prediction of materially higher profits made at the interim stage. City the expectations had been for about Boc Bass f1.9m pre-tax.

The shares did not react to Despite nationwide industrial the news and closed at 267p

unchanged. Business was generally up at the present, Mr. Morrell said, particularly on the white goods rental aide.

The company intends to expand its chain of TV rental shops and also its fashion chain in the

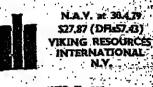
Johnson Cleaners starts well

Trading so far this year at Johnson Group Cleaners had been very satisfactory, and at the end of the March quarter profits were ahead of the previous year and this trend was continuing. Mr. John Crockatt, the chairman, said at the annual meeting.
The severe weather in January

on forecast **BOARD MEETINGS**

Finals: John Seales: Debenhar Fashion and Georal Investigation Edward Le Ses. J. N. Nichola: Quint

adversely affected the cleaning side, but this shortfall against the directors forecast was made good by the end of the quarter. The continuing expansion of the textile rental division bad added to group profitability, he reported.



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Debenture Corporation

General Stockholders 1nv. Trust...

Lake View Investment Trust

Hambros Investment Trust

Electric & General Investment ...

Greenfriar Investment

English National Investment

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INVESTMENT TRUSTS: net asset values

The information in the columns below is supplied by the companies named, which a members of The Association of Investment Trust Companies. The figures, which are in

Total Assets	<u> </u>	j	;			et Value	Investment	Total Assets	1				after dedu	et Value cting prior	Investment
less current liabilities		· Chamas as Gr. Va	Date of	Annual	cha nt nominal	rges ni morket	Currency Premium	less current liabilities		Shares or Stock	Date of Valuation	Annual Dividend		rges at market value	Currency Premium (see note g)
(1) faillion	Company (2)	Shares or Stock	Valuation (4)	Dividend (5)	talue (6)	colue (7)	(see note g1	(1) £million	(2)	(3)	(4)	(5)	- (6)	(7)	(8)
	VALUATION MONTHLY	Ordinary 95n	20.44.750		ept where £ s			48.1	Ivory & Sime Limited Atlantic Assets Trust	Ordinary 25p	30/4/79	Pence es	ccept where £	158.3.	1. 17.6
96.6	Anglo-American Securities Corpn	Ordinary 25p Ordinary 25p Ordinary 25p	30/4/79 30/4/79 30/4/79	8.0 3.3 5.7	318.0 147.3 215.3	326.0 152.8 · 219.5	19.1 9.1 12.7	116.5 36.6	British Assets Trust	Ordinary 25p Ordinary 25p	30/4/79 30/4/79	2.8 0.6	101_0 76.6	106.5 78.1	10.2
30.5	Capital & National Trust	Ord, & "B" Ord, 25p Ordinary 50p	30/4/79	*4.6	193.8 137.2	196.5 137.2	10.5	16.3	Viking Resources Trust	Ordinary 25p	30/4/79	1.32	144.4	144.4	11.5
13.7 18.6	Crossfriars Trust	Ordinary 25p Ordinary 25p.	30/4/79 30/4/79	3.7 2.6	137.3 101.6	137.3 103.2	3.6	13.1 56.1	Throgmorton Secured Growth Tst.	Il Cap. Loan Stock Ordinary 25p	30/4/79 30/4/79	4.875	128.7	211.0 125.4	= -
105.0 49.0	Edinburgh faveshment Trust	£1 Deferred Ordinary 25p	30/4/79	7.8 3.15	338.2 138.2	352,8 140.2	12.5 9.2	32.3 26.4	Kleiowort Benson Ltd. British American & General Trust	Ordinary 25p	30/4/79	1.85 4.0	62.3 159.2	63.4 161.8	2.4 6.8
14.3 80.3	Grange Trust	Ordinary 25p Ordinary 25p	30/4/79 30/4/79	1.4 4.5	127,8 157.5	131.7 160.1	3.9 · 5.9	37.2	Brunner Investment Trust	Ordinary 25p	30/4/79	2.45	86.4 115.6	\$8.5 117.1	5.7 5.2
34.6	Guardian Investment Trust	"A" & " B " Ord. 25p	30/4/79 10/5/79	3.15 4.584	126.7 x107.2	131.3 110.0 ·	.: 5.0 1.3	47.9 5.7	Family lovestmeet Trust	Ordinary 25p Ordinary 25p	30/4/79 30/4/79	4.6 2.375	130.5 76.0	130.5 76.0	0.1 1.2
40.6	Investors Capital Trust	Ordinary 25p	30/4/79 30/4/79	2.0	111.7 156.6	117.0 156.6	8.8 26.7	3.7 7.8 · 57.8	London Prudential Invest. Trust Merchants Trust	Ordinary 25p Ordinary 25p	30/4/79 30/4/79	3.0	125.1 107.9	127.7 111.3	4.3 5.7
28.0	London & Holyrood Trust London & Montrose Invest. Trust	Ordinary 25p	30/4/79 30/4/79	4.2 5.9	176.9 283.0	180.5 287.0	10.8 18.0	56.2	Lazard Bros. & Co. Lid. Raeburn Investment Trust	Ordinary 25p	30/4/79	4.05	188.0	194.5	10.5
	Lundon & Provincial Trust	Ordinary 25p	30/4/79 30/4/79	3.95 1.7	165.6 x85.3	168.1 68.9	10.7 2.3	\$43.1	Romney Trusl	Ordinary 25p	30/4/79	3.0	137.0	139.6	9.1
29.3	Do. Do. North Atlantic Securities Corpn Northern Americao Trust	Ordinary 25p	30/4/79 30/4/79	£4.50 3.07	£96.10 136.7	·£103.40 139.7	£3.50 S.2	12.9 22.0	Canadian & Foreign Invest. Trust St. Andrew Trust	Ordinary 25p Ordinary 25p	30/4/79	4.2	171.8 177.4	175.6 182.0	S.5 9.8
9.3	Save & Prosper Linked Invest Trust Scottish Investment Trust	Capital Shares	1/5/79 30/4/79 30/4/79	3.05	148.9 195.2	152.1 195.2	10.8	107.6 26.6	Scottish Eastern Investment Trust Scottish Ontarlo Invest. Company	Ordinary 25p	30/4/79	2.4	190.4 93.8	196.1 95.1	14.0 7.1
66.3	Scottish Nurthern Investment Trust Scottish United Investors	Ordinary 25p	30/4/T9 30/4/T9	3.0 3.S 1.5	145.4 160.1	149.4 167.7	S.1 6.7 7.4	62.4	Securities Trust of Scotland Murray Johnstone Ltd.		30/4/79	7.05	261.1	279.6	17.1
56.0	Second Alliaoce Trust	Ordinary 25p	30/4/79 30/4/79	6.3 9.7336	272.4 169.7	87.4 280.3 169.7	16.6	50.5 75.1	Caledonian Trust	Ord. & " B " Ord. 25p	30/4/79 30/4/79	*1.85 *L9	111.2	114.6 108.6	10.2 9.9
46.9	Sterling Trust		30/4/79 30/4/79	6.3 2.6	265.4 158.8	271.9	15.4 9.2	18:3 7.5	Glendevon Investment Trust Glenmurray Investment Trust	Ord. & "B " Ord. 25p	30/4/79 30/4/79	*1.85 *1.95	138.6 112.8	140.S 112.S	12.6 9.1
35.2	United British Securities Trust	Ordinary 2ap	30/4/79 30/4/79	4.44 6.83	190.3	160.1 191.7 300.5	10.1	84.3 28.1	Scottish Weslern Investment Co Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/4/79 30/4/79	*2.55 *2.0	ac\$8.8 121.1	ac92.1 124.6	ac8.1 11.6 -
95.8	United States Dehenture Corpn Do. Do.	Ordinary 25p	30/4/79 30/4/79	4.05 £5.00	132.0 £145.20	136.2 £149.80	7.7 £8.40	24.5	Schroder Wagg Group Ashdown Investment Trust		30/4/79	4.6	211.6	217.6	13,4
136.1	Baillie Gifford & Co. Scottish Mortgage & Trust	Ordinary 25p	30/4/79	3.9	161.5	163.9	8.2	7.4	Do. Do	Ordinary 50p	30/4/79 30/4/79	£4.75 3.0	£148.10 123.8	£152.40 123.8	£9.40 14.3
18.4	Monks Investment Trust	Ordinary 25p	30/4/79	5.6	297.4	309.9	† 15.0	33.S 59 .2	Continental & Industrial Trust	Ordinary 25p	30/4/78 30/4/79	5.7 6.4	225,2 320.0	232.3 329.5	15.3 9.8
	Baring Bros. & Co. Ltd. Outwich Investment Trust	Ordinary 25p	31/3/79	, ·	4	+	÷	33.9 15.3	Westpool Investment Trust	Ordinary 25p Ordinary 25p	30/4/79	5.5 3.3	262.5 161.0	268.3 163.7	17.9 11.0
14	Tribune Investment Trust	,	25/4/79	1.7	95.3	95.4	7.5		Do. Do		30/4/79	£5.00 2.95	£144.90	£147.30	06.63
	"Investing in Success " Equities! East of Scotland Invest. Managers Aberdeen Trust		10/4/79	3.3\$	244.3	247.1	12.8	79.1 14.S	Scottish American Investment Co. Scottish European Investment Co. Touche Remnant & Co.	Ordinary 50p	30/4/79	1.6	121.9 59.3	123.0 59.3	5.1 3.4
	Edinburgh Fund Managers Ltd. American Trust	;	30/4/79	3.567 *1.55	142.5	149.9	5.9	125.2 36.7	Atlas Electric & General Trust Bankers' investment Trust	Ordinary 25p	30/4/79 30/4/79	2,25 2.55	101.9	104.8	3.1
1S.4 14.5	Crescent Japan Investment Trusts General Scottish Trust	Ordinary 50p	30/4/79	1.3	64.7 213.7 130.3	66.9 213.7	3.2 25.5 5.3	36.7 50.9	City of London Browery	Ordinary 25p	30/4/T9 30/4/79	2.75 2.76	87.7 104.9	92.4 107.2	3.0 3.3
9.2	Do. Do	Conv. Loan 1995/2000	30/4/79	£ā.50 12.5	£165.50 407.6	£168.40 407.6	24.6	34.6 18.0	C.L.R.P. Investment Trust	Ordinary 25p Ordinary 25p	30/4/79 30/4/79	4.25 2.1	99.0 186.6 109.5	103.1 191.9	0.7 8.4
÷	Electra Group Services Ltd. Electra Investment Trust	Ordinary 25p	30/4/79	5.5	÷	407.0	. *	205.8 47.2	Industrial & General Trust	Ordinary 25p	30/4/79 30/4/79	1.75 2.94	\$6.5 121.5	113.6 88.7	3.5 3.1
‡ ‡43.1	Globe Investment Trust Temple Bar Investment Trust;	Ordinary 25p	30/4/79 30/4/79	5.ā 5.5	144.0	146.3	1.5	62.7 78.1	Solvere Investment Trust	Ordinary 25p	30/4/79 30/4/79	3.3 4.85	188.3 238.5	126.8 192.8 244.0	3.6 7.4
Ť	F. & C. Group Alliance Investment Co	Ordinary 25p	30/4/79	3.0	9	+	†	43.3	Williams & Glyn's Bank Lid	Ordinary 25p	30/4/79	4.2	178.9	183.0	· 6.1 - 5.4
25.3 27.1	Cardinal tovestment Trust	Conv. Loan 1985/87	30/4/79 50/4/79	£6.00	135.0 £145.80	138,9 £149,90	5.7 £6.10	\$13.S 2.9 3.ā	Sizewell European Invest. Trust Atlanta Battimpre & Chicago	Ordinamy 10n	30/4/79 30/4/79	1.8 0.75	105.2 67.9	· 105_2 67.9	1.7 3.0
\$209.1 \$32.9	F. & C. Eurotrust Fnreign & Colonial Invest. Trust, General Investors & Trustees	Ordinary 25p	30/4/79 30/4/79	1.0 2.2625	68.2 126.1	68.2 130.2	6.8 8.0		West Coast & Texas Reginnat		30/4/79	1.1 :	84.2	84.2	5.1
	James Finlay Inv. Management Ltd. Provincial Cities Trust		30/4/79	4.5	169.0	173.2	6.9	2.9 13.2	Cumulus Investment Trust	Ordinary 25p Ordinary 25p	30/4/79 30/3,79	0.82 4.0	48.4 121.1	50.1 123.0	2.2
	Gartmore Investment Ltd. Altifund Ltd.		30/4/79 30/4/79	t.4578	43.1 102.3	43.1 t02.3	3.3	22.1	Carliol/Tyneside Group Carliot Investment Trust	Ordinary 25p	30/4/79	4.5	183.8	188.8	9.0
29.0	Do. Do	Capital 50p Ordinary 25p	30/4/79 30/4/79	0.5 1.9	357.3 72.9	357.3 75.0	3.3	13.1	Do. Do Tyneside fnyestment Trust	Ordinary 25p	30/4/79 30/4/79	£4.50 -4.43	£158.10 176.2	£162.40 180.1	£7.70 S.9
31.5 8.1	English & Scottish Investors Group Investors	Ordinary 25p	30/4/79 30/4/79	*2.65 1.9	119.9 98.2	125.3 101.3	3.1 4.7	118	Do. Do East of Scotland Inv. Managers		30/4/79	£4.50	£151.50	£154.90	£7.70
5.9 11.9	London & Cartmore Invest, Trust London & Lennox Invest, Trust:	Ord. & "B " Ord. 25p		\$1.0 *ac1.667	101.7 79.3	105.0 81.5	3.1 4.7 6.7 4.5	11.8 31.0	Oominion and General Trust Pentland Investment Trust	Ordinary 25n	28/2/79 28/2/79	8.5 4.55	257.3 164.7	267.9 169.3	29.8 19.a
25.9 12.4	London & Lomond Invest Trust London & Stratbelyde Trust	Ordinary 25p	30/4/79 30/4/79	2.S 1.6	121.0 68.3	123.6 72.0	4.0 3.9	AMENDME	NTS to table published 27th April, 1979						
15.6 79.3	Meldrum Investment Trust	Ordinary 25p	30/4/79	3.9	77.1	77.1	13.7	Valuation m	onthly: Atlantic Assels Trust Col. 7 slo bree-Monthly: Yeoman Investment Tru	uld read 160 2	d read 983 a	nd 280 a	nomina!		
19.5	Glasgow Stockholders Trust	Ordinary 25p	30/4/19	2.S5	221.S 154.6	225.3 158.5	10.5				100,0	100.9 105	pectively.		

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*Applies to Ordinary/"A" Ordinary only. † Comouny (b) Cols. 1. 8, will announce year-ond or interm results shortly. † Change in the prior charges since the devices (c) Cols. 1. 8, published ligure. § Includes special dividend. ac Adjusted for some state. at Adjusted for rights issue. I see note (h) below. • Not directly comparable with provious published begins. B Oupenden! (d) Cols. 5-8 parable with provious published begins. B Uppendent (6) Cers. ton "8" share conversions.

(a) Cois. 1, 6, 7 Listed investments are valued at mid-market prices: unlisted at directors' valuation; both include 100 per cert, of any investment currency promium after taking into (e) Col. 5 account the premium on any surplus or on any shortfall of broign currency assets equinst foreign currency loans.

which might arise on future disposal of investments.

Amounts per share/stock unit or per £100 Convertible Lean \$20ck. Column 5 procisely otated; columns 5-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Lean Stock.

Invidend is the last declared annual dividend or firm forecast, axeluding investment condition.

The amount per share/stock unit represented by 100 per cent, of the Convertible loan/preference stocks are treated in the way which groduces the lower n.a.v. per share. Convertible stocks are treated as lully convarted at the refe for the next conversion date, or where a figure is marked "x" as prior chargos: warrants or subscription rights are treated as unexercised.

The Investment Trust Year Book 1979

The official Year Book of the Association will be published shortly. Take advantage of the special pre-publication price by sending £7.50 (including postage and packing) before 31 May to:

The Association of Investment Trust Companies. Park House (6th Floor), 16 Finsbury Circus, London EC2M 7-JJ. Please state if you are an existing shareholder in an investment trust company.





TKM to offset loss of German car concession

car import concession in the UK next year will mean a sub-stantial loss of revenue for port of the company's suppliers more prepared than usual UK next year will mean a sub-Tozer Kemsley and Millbonro. However, the group will make up this cut in income from other activities, says Mr. Kenneth Thorognod the TKM chairman.

Distribution of the German cars will be taken over by the manufacturer. Even so TKM will continue to bave a considerable involvement in the retail and personal export business of BMW in Britain.

The subsidiary Price and Pierce made a partial recovery in 1978 and contributed £1.57m of the group's £8.82m operating profit. Its forest product division was affected for most of the period by low market prices. but the improvement seen towards the end of the year has continued arrongly.

TKM's taxable profit was ahead to a record £7.63m-(£5.52m) in 1978 and the net dividend is raised to 3.4565p (3.1298p)—as reported April 25. Mr. Thorogood points out that taking account of the fact that 76 per cent of the company's to outstanding credit is insured the the gearing ratio of 1.8 to one is

orientated concern.
Year end bank halances and marketable securities amounted to £5.3m (£8.17m) and loans and overdrafts were £50.33m to £27.05m.

Meeting, 28, Great Tower Street, EC, on June 13 at 11.45

Receiver for Andre Peters

Andre Peters Originals, uniform suppliers to British Airways, which bas debts of about £300.000, bas been placed in the hands of a Receiver.

Mr. Leonard Curtis, appointed by Barclays Bank, said "The

port of the company's suppliers we shall save the business if not

Matthew **Brown** progress

WITH BEER sales up overall Matthew Brown and Co. lifted taxable profits from £1:33m to £1.54m in the half-year to March

The directors say that April trade bas been good and given a better summer than last year they bope to see as good a rate of profits improvement in the second half

Turnover for the half-year advanced from £9.45m to £10.75m. The sales were ahead despite the severe winter and despite the fact that Easter did not fall in the first half. Sales of Slalom lager again improved significantly.

Tax for the period on SSAP 15 basis takes £540,000 (£595,000) leaving net profit up at £995,000, against 2737,000.

The net interim dividend per

25p share is raised from 1.1p to 1.25p. The group paid a total of 4.3773p last year on taxable profits of £3.54m. At the year end the company had forecast a mndest increase io the surpins.

• comment

The intarim figures from Matthew Brown are slightly distorted by profits on property disposals and a swing round to interest receivable, but the underlying trend is healthy with trading profits up 14.8 per cent and margins showing a slight

more pronounced than usual this year and a pre-tax result of over £4m looks within range. Lager sates are doing well, accounting for 171 per cent of business, and the company is expanding into the free trada in

Manchester, Liverpool and East Lancashire, where margins are better. Nonetheless, at 172p, the prospective fully taxed p/e of about 15 may be vulnerable if investment sentiment swings towards the nationals, as it might they can pusb up their margins this year.

Promising prospects for Delta

THE OUTLOOK for Delta Metal this year is promising. Lord Caldecote, the chairman, told the annual meeting yesterday, but would be "unwise to elaborate further " nn prospects beyond the general outline in the annual

Lord Caldecote spent some time during his address in sup-porting the concept of an audit committee which, the board believes, is advantageous for the efficiency of non-executive direc-

He slso called for the Governsupport Bisbop Government in ment to Muzorewa's Rhodesia which would otherwise lack authority, and outlined the company's progress in improving olnted improvement. Given the working and living standards for "The exceptionally severe winter and its Black South African workers.

Higgs & Hill outlook mixed

turnover in UK construction may

Added to this the weather so far this year has not been belpful to either the group's civil engineering or construction activities in Britain, says Mr. E. W. Phillips, the chairman.

Overseas the directors are satisfied with the progress on Middle East contracting yet remain concerned about the come of the Trinidad road contract, be says.
Mr. Phillips therefore considers it unwise to make a specific forecast for the current

year but says bls remarks last year about the company's sound long term prospects still apply. It was the provision for tosses on civil engineering in the UK and Trinidad that depressed 1978 taxable profit—down from £3.13m to £2.09m on turnover £10m lower at £96m, as reported April 11. Not liquidity at year end was £140,000 lower (up £4.46m) with cash and short term deposits at £3.75m (£7.5m)

The net dividend is raised to 3.8329p (3.45449p including additional 0.0222p paid with 1978

£3.76m (£7.5m).

Meeting, Waldorf Hotel, WC, on June 15 at 12.15 pm.

Nthn. American Trust ahead

After tax revenue of Northern American Trust Company advanced from £448.321 to £542,888 in the balf year to May 1, 1979. Net asset value per 25p share is up from 131.1p to

The interim dividend is pegged at 1p net. Last year the com-pany paid a total of 3.05p, from after tax profits of £1m.

from £278,029 to £300,053.

Pye in strong position

DESPITE difficult trading conditions last year, the Pye group electronics and communications specialist, maintained its financial position and entered 1979 with a strong balance sheet and good liquidity, the directors say in their annual report.

Market pressures prevented prices rising sufficiently last year to cover increased costs, which included expenditure in connection with the introduction conditions of employment

As already reported, pre-tax profit fell from £16.06m to £14.9m on turnover up from £185.54m to £206.12m in 1978. The net dividend is raised from 3.5684p to 3.9847p per 25p sbare. Exports expanded by 11 per cent from £46.8m to £52.1m.

Sales of Pye's communications snd broadcasting companies rose by 20 per cent from £75.9m to £91.1m in 1978 on trading pro-fit up by 16 per cent from £8.6m £9.9m

Instrumentation and electronic equipment companies stepped up sales by 13 per cent from £42.2m to £47.6m but trading profit dropped by 19 per cent from £3.5m to £3.1m.

Companies in the electronic engineering components sector lifted sales from £40.4m to £45,2m but trading profit was down 29 per cent from £3.9m to £2.7m.

At April 11, Philips Electronic and Associated Industries beld 60.7 per cent of Pye Holdings. Meeting, Hyde Park Hotel, SW, Aurora Holdings Limited Chairman's oral comments at the

AGM on Thursday, 17th May 1979 at Sheffield.

We, like many others, suffered in the first two months of 1979 owing to the Road Haulage strike and the extreme weather conditions. By hard work at all levels we have achieved an excellent recovery, March and April being the best trading months in the Group's history. We are now back on target. The order book is at record levels and the diversity of our operations continues to give us reliable performance.

In my Chairman's Statement in the Report and Accounts I stated that the Osborn companies were now fully integrated into the Aurora Group. This was a demanding task which has been rapidly and successfully accomplished through the hard work and enthusiasm of my colleagues, both old and new. The benefits of this rapid and effective integration into Aurora's system and style of management are not simply those of an organisational or administrative nature. Already we are seeing tangible and worthwhile results from our efforts - where it matters most - in the profit and loss account.

I referred briefly also to the worldwide problems of the Special Steels industry in which some Osborn companies are involved. Whilst I do not seek to minimise these problems, shareholders will be reassured to know that the performance of our subsidianes in this industry is benefiting considerably from the re-direction we have imposed. The levels of order intake and the current order book are now substantially higher than in 1978 and this will be reflected in the current year's results.

The Group in its present form is now firmly established and our growing strength points to the exciting prospects that lie before

Subject to no unforeseen circumstances and looking at the current financial year overall, we are confident that we shall make further substantial progress in the Group's development.

> **Robert Atkinson** Chairman

17th May 1979

Aurora Holdings Limited,

Nether Lane, Ecclesfield, Sheffield S30 3TR

RESULTS AND ACCOUNTS IN BRIEF.

S. W. FARMER GROUP (attructural stealwork)—Results for 1973, reported (March 14 in proliminery statement with prospects. Group fixed assats £2,02m (£1,72m). nat currant assets £2,37m (£2,12m). Meeting, Bromlay Court Horel, Bromley, Kent, June 8, at noon, CONTINENTAL UNION TRUST COMPANY—Results for year to March 31, 1379, already raported. Velue of investments £33,94m £28,35m). Net cutrent assats £41,125 [£1,04m). Maeting, Winchaster House, EC, June 6, at 12,45 pm.

ELIS AND GOLDSTEIN (HOLDINGS) ELIS AND GOLDSTEIN (HOLDINGS] Iclothing manulacturer). Sesuits for year to January 31, 1979, reported April 27 with prospects. Group fixed assets £3.86m (£2.86m). Net current assets £7.36m (£6.24m). Unuldity at year end up £388,000 [£29,000). Meeting. Barrington House, Juhe 6, et noon. ALBERT MARTIN HOLDINGS—Recuire, for 1978 elneady known. Group fixed assets £4.02m (£2.83m). Net current ass ets £3.62m (£3.19m). Meeting. Nottingham. on Juna 7, al 11.30 am. JERS £7 GENERAL INVESTMENT THUST—Final 8.59, making 14.5p (13p) year 10 April 30, 1979. Profit £783.579 (£6892,908). Net asset velue per £1

shara 337p (216'ap).

BAGGERIDGE BRICK COMPANY—
Turnover for hall year to March 31, 1979, £1,951,000 (£1,331,000). Pre-tax profit £217 000 (£41,000) alter dopacalation £83,000 [£82,000]. Tax £113,000 (£21,000), Earnings per share 2,6p (0,5p), internal 1.25p, Laar year a single payment ol 2.607125p was made.

CAMREX (HOLDINGS) (corrosion coatings specialist)—Results 1978, reported April 24. Group fixed asaetts £3.11m [£3,28m]. Investments £0.57m (£0.32m). Nat operating assets £5.69m (£3,74m). Net liquid essets £0.55m (£1,5m). Loans £1,37m [£0,28m). Meeting, Great Eastern Hotel. E.C., June 13, at noon.

WIGHT CONSTRUCTION HOLDINGS—

WIGHT CONSTRUCTION HOLDINGS—Results for year to January 31, 1979, already reported with lacroses in authorized capital and one-for-two scrip issue. Fixed assets £428.823 (£250:322). Net current assets £1.45m (£1.06m). Meetling, Edinburgh, June 6, at 11 sm.

ABERTHAW AND BRISTOL CHANNEL PORTLAND CEMENT—Results for 1978 with prospects raported April 11. Inflation adjusted pre-tax profit £873,000 (£1.43m) compared with £1.25m

(E1.66m) historical. Group fixed assets E10.39m [£9.69m], nat current assets £3.19m (£3.48m), Working capital dacrassed by £538,000 (£1.71m incrasse). On April 14, 8lue Circle Industries held 25 per cent of equity and Colguy Holdings 15.01 per cant. Meeting, Cardiff, June 8, 12.30 pm. BUNZI PULP AND PAPER — Results for 1978 with controlls on prospects tor 1978 with commonts on prospects repoiled May 10. Fixed assets £42.64m (£38.36m). Nai current assats £29.6m (£28.5m), Meeung, Great Eastern Hotal, £C. Juna 12 at 11.30 am.

CLIVE_DISCOUNT HOLDINGS—Results for March 31, 1979, year reported April 20, Nat curent assets £8.06m (£7.49m). Bills diacounted (lass rebate) £200.65m (£232.04m). cartificates of deposit £51.58m (£107.15m). Secured loans £321.21m (£378.93m). Challman says company has etarted current year on very profitable note. Meeting, 1 Royal Exchange Avonue, EC, June 12, noon. HOUSE OF LEROSE (ladies knitted outerwear)—Results for 1978 reported March 23. Fixed essets £3.28m (22,24m). Net current essets £3.57m (23,23m). Maeting, Royal Gardan Hotel. W. June 8 al noon.

Ireight recharges. Profit 648,118 (£49.193), before tax £19.393 [£72,361). Extraordinary dabits £2.253 [credits £2,273]. Earninga per share 9.2p [sama].

Extraordinary dabits £2.253 [credits £2.273]. Earninga per share 9.2p [sama].

THIRI MILE INVESTMENT—Profit for 1978 £50.281 [£72.253] after tax of £25.685 (£33,100). Earnings per 25p share 12.58p, nat final dividend 0.5025p making 1.05p, 10.39p).

NURDIN AND PEACOCK [cush and carry wholesalar)—Rosults for 1978 with proapects reported May 2 in full praliminary statament. Group fixed assats £11.89m (£7.02m), Net liquid funds increased by £1.73m (£3.1m). Net liquid funds increased by £1.73m (£3.1m). Masting, Richmond, Surrey, June 9, 11 am.

FRANCIS SHAW AND COMPANY (enginear to rubbar, cabla and plastics industries)—Results for 1978 reported May 5. Group fixed assats £1.5m (£1.05m), net current assats £2.64m (£2.74m). Nat liquidity decreased by £400.884 (£495.242 increasa). Masting, Manchesenr, Juna 6, noon.

EMPIRE STORES [BRADFORI].—Mail order group—Results for the year anded Januery 27, 1979, reported April 12. Group fixed assats £3.74m (£3.74m). Net current assats £3.74m (£3.72m). Ner current assats £3.74m (£3.72m). Decreases in working capital £169.613 (£62.536). CCA adjusted figures show pra-rax loss for year of £130,000 [£241,000 profit). Meeting, Wact &yleen, Juna 6 at 12.30 pm.

United Newspapers Profit up 23 per cent

Current trading satisfactory

The Chairman, Lord Barnetson, reports:

Company's performance in 1978. Although trading conditions were difficult, and the last few weeks of the year adversely affected by bad weather, strike action, and interference with our newsprint deliveries, significantly improved contributions came from each of our principal activities - newspapers, periodicals, and commercial printing. The overall result was a pre-tax profit of £6,857,000, the second highest figure in the Company's history, and 23 per cent ahead of 1977. There are equity earnings of 258.3 per cent, equivalent to 64.6p per Share, compared with 48.45p per Share for the

preceding year. The profit includes investment income of £448,000, slightly down on 1977, partly because of a drop in average interest rates over the period, and partly because of a reduction in the level of

invested cash. After spending some £4,600,000 on plant and new technology, and on the improvement of working conditions throughout the group, the Company's cash resources at the year end amounted to £4,512,000.

As you see your Directors recommend a Final Dividend of 9.23248p net per Share, the maximum permitted uplift. When taken together with the Interim Dividend already paid, this will make a total of 15.60995p for the year, compared with 14.10159p for 1977. At the new rate the Dividend will be just over four times

Newspapers

Over 84 per cent of the Company's profit is derived from the newspapers. Here trading turnover rose by £5,212,000 to £43,230,000. The great bulk of this comes from two sources - from advertising revenue and from newspaper sales. As to the former, receipts went up by over 18 per cent to some £29,000,000, the rise being due partly to an uplift in volume for both classified and display, and partly to rate rises introduced in the course of the year.

As to newspaper sales, the Company's policy throughout 1978 was to avoid increasing cover prices wherever possible, and we were able to adhere to this for our morning, our evening and most of our weekly papers. Partly as a result, sales were much firmer; four of our evenings increased their circulation, and the rest of our dailies virtually held their ground. Almost all of the weeklies turned in higher sales, with particularly encouraging performances in places like Wigan, Dewsbury, Driffield, Ormskirk and Burnley

Early in 1979, cost inflation made it necessary to raise prices for our evening papers in Leeds, Preston, Northampton, Blackpool and Doncaster; and while this will be reflected in higher sales revenue throughout the year, it will be fully absorbed in the cost of recent wage awards to production and editorial staff.

Printing and Periodicals

Magazine publishing and commercial printing contributed £647,000 to group profitability, a considerable improvement over 1977. With a healthy increase both in sales and in advertising, Punch had a record year, and that happy trend continues. The three farming monthlies maintained a firm hold on their respective sectors



of the market, while profits on their book publishing and mailing services were also ahead

of the preceding year.

Although the financial performance of commercial printing was better than in 1977, the results were affected by labour troubles, by a certain slackness in the order books, and by non-recurring oncosts.

Other Activities

Further retail newsagents were acquired during the year, a few of them in Leeds, but most of them in the Sheffield area. We now have 81 outlets of this kind. The shops play a very useful part in the growth of newspaper sales, and especially in the context of home deliveries. With energetic and careful management they can also become worthwhile profit centres in their own right. The Company also has retail stationery shops in Blackpool and the Fylde, and they had a

Although at one time their prime purpose was the recovery of overheads, our services to other publishers now make a positive contribution of their own. A wide range of weekly and monthly periodicals is handled by nur sales and distribution network throughout the country; our editorial features, including Punch cartoons, are syndicated all over the world; and we cater for the special requirements of a number of local newspapers in various parts of the United

We continue to be well satisfied with our investment in Trident Television and in Radio Hallam, the latter catering for the Sheffield area.

Capital Investment

During the year some £4,600,000 was invested in plant and premises, more than a third of this for the completion of our new production centre at Northampton. The Company's policy in these matters is based on two objectives - to improve working conditions, and to take full advantage of modern technology in order to meet the rising standards required by readers and advertisers

It is an investment in the future, in growth potential, in our capacity to give value for money and to compete effectively with the electronic media. It is also a sign of our confidence in the role of the provincial Press. And so we have been moving into what is called the "new technology" in a systematic and gradual kind of way over the past few years. The gradualness, of course, is important, partly for prudent mancial phasing partly for the maintenance of good labour relations, and partly because scientific innovation is becoming more and more sophisticated all the

Against that background, we can now point not only to the new works at Leeds and Northampton, but also to a much wider range of major investment projects in Blackpool, Preston, Sheffield, Blerchley, Luton and elsewhere.

Awards and Distinctions

In the fields of advertising, production and editorial performance, the Company once again figured prominently in awards for the year's work. A provincial record was established by the Yorkshire Post in gaining no fewer than four commendations in the British Press Awards 1978. The Morning Telegraph's racing correspondent emerged as Tipster of the Year, and our City Editor has just won the Harold Wincott Award as the best financial journalist serving the regional Press.

Directors

I must record our warm appreciation of the services rendered to the Company by Mr P. L. Fleming, who retired in January after more than twelve years on the Board. And likewise to Mr E. G. Schofield, who became a director in 1960 and does not propose to seek re-election in June. At the same time our thanks must go to Mr E. A. Walker, who retired a few weeks ago after 27 years as our Company Secretary and Chief Accountant. I am happy to say that he will remain on the Board in a non-executive capacity.

Forward Outlook

With the combination of atrocious weather and industrial action, the first few weeks of the current year got off to an indifferent start. Since then trading conditions have reached a satisfactory level, and advertising volume for the first quarter as a whole has moved shead of the corresponding period of 1978. Subject to the usual reservations with regard to the economic climate and the state of labour relations, the forward outlook is

On your behalf may I conclude by thanking my fellow directors, executives and staff at every level for their hard work and resilience of spirit throughout a difficult but rewarding year.

Summary of Results

X ear ended 31st December		
· ·	1978	1977
	£	£
Profit before taxation	6,857,000	5,574,000
Profit after taxation	4,516,000	3,409,000
Ordinary dividends*	93.19%	84.72%
Retained in the Group	3,353,000	2,359,000
Ordinary dividend cover	4.I4	· 3.44
Earnings per share *Gross	64. 6p	48.4p

The Annual General Meeting will be held at 23-27, Tudor St., London, EC4 on Tuesday, 12th June,

United Newspapers

BANK RETURN Decrease (-)

1,819,413,611

1,919,413,611

+174,179,104

BANKING DEPARTMENT + 174,178,104

ISSUE DEPARTMENT

11,018,100 7,560,175,395 1,603,809,50S

- 125,588,547 + 48,588,547

Advances & Other Accounts...... Premises Equipment & Other Secs.

- 76,000,000 9.125.000.000



Alexander Howden Finance B.V.
(Incorporated as a company with limited liability under the Civil Code of the Netherlands)

U.S. \$30,000,000 94 PER CENT. GUARANTEED BONDS 1991 WITH WARRANTS ATTACHED

Unconditionally and irrevocably guaranteed as to payment of principal, premium (if any) and interest by, and with Warrants attached entitling holders to acquire Ordinary Shares in, Alexander Howden Group Limited
(Incorporated in England with limited liability under the Companies Act 1948)

ISSUE PRICE 99 PER CENT.

The following have agreed to procure subscribers for or subscribe the Bonds with the Warrants J. Henry Schroder Wagg & Co. Limited Amsterdam-Rotterdam Bank N.V. Krediethank International Group

Westdeutsche Landesbank Girozenfrale The Bonds with the Warrants attached, and the Bonds and the Warrants separately, have been admitted to the Official List by the Council of The Stock Exchange; Interest no the Bonds will be payable animally on 1st June, commencing in 1980.

Each Bond of U.S. \$1,000 will on issue have attached to it one bearer Warrant entitling the holder to subscribe for 150 registered Ordinary Shares in Alexander Howden Group Limited at a price (subject to adjustment) of 100p per Share. The Warrants will be immediately detachable and may be exercised on and after 1st June, 1980 up to and lockuding 1st June, 1991.

Particulars of the Bonds and the Warrants and information with respect to Alexander Howden Finance B.V. and Alexander Howden Group Limited are available in the statistical service of Extel Statistical Services Limited and copies may be obtained during usual business hours up to and including 1st June, 1979 from the brokers in the issue:—

T. 2. A. Commence Timeted

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J. & A. Scringeour Limited, The Stock Exchange,

London EC2N 1HD.

31 Gresham Street, London EC2V 7DX.

Nomura Europe N.V. Salomon Brothers International

Fielding, Newson-Smith & Co.,

KCA will explain its intentions to OFT

group's relationship with Euro- Eurocanadian and then seek received a positive response canadian Shiphuldings and his "commercial co-operation" for from the management. canadian Shiphuldings and his intentions towards Furness

Withy, the shipping group.
The move follows KCA's huild up of a 12.13 per cent stake in was unhappy with his partner-FW. Eurocanadian, a private ahip with FW in Kingsnorth Canadian-owned shipping group Marine Drilling, in which KCA canadian-owned snipping group based in Switzerland and has a 10.5 per cent stake. FW bermuda, has said an 8.4 per cent state to KCA for conditional settlement.

"I am utterly unbappy with KND. I doo't like an investment

Eurocanadian is retaining a 10 per cent stake, while KCA bolds 12.13 per cent. Both are intend-ing to seek a "close relationship with FW.

annual general meeting of KCA, canadian's support which would Mr. Bristol said that Manchester belp.

We intend to take this "We intend to take this holds a 37 per cent stake with matter to the ultimate," he told ing.

Mr. Paul Bristol, chairman of FW holding an interest of over sharebolders.

Manchester Liners with Eurocanadian. Mr. Bristol explained that he

that shows no return," he said. At the AGM Mr. Bristol told soarebolders that be was seeking board representation on FW, ng to seek a "close relation. "supported by other major shareholders." He explained Speaking after yesterday's afterwards that it was Euro-

KCA International, the oil 61 per cent "should become a Withy's AGM," next month. He servicing and contracting group, part of Furness, Withy."

explained later that be intended to state bis case before FW in the truesday to explain bis buy the 37 per cent holding from sharebolders if he had not be intended to state bis case before FW in the state bis case before FW in

> He reiterated to sbarebolders that KCA was not "fronting" for Eurocanadian in the latest

> Eurocanadian made a full bid for FW during 1974 and 1975 which was vigorously resisted. Bult he Monopolies Commission ruled in 1976 that any merger between the two groups would be against the public interest and required Eurocanadian 10 reduce its holding in FW. Eurocanadian agreed to reduce its bolding to not more than 10 per cent by 1980.

Earlier this week Mr. Brian Shaw, managing director of FW visited the Office of Fair Trad-

H&C expands chrome side

in the past enuple of years, is also keen to buy into America aiming to make an agreed puras the largest industrial country cliase of an American chrome in the world. chemicals business. H and C has agreed in prin-

cible to purchase the net assets and business of PPG Industries Inc. The price bas not been disclosed but the business has a turnover running at about \$25m a year. It manufacturers and sells basic chromium chemicals to industries including leather, pigments, drilling muds, wood preservative and wood treatment, The reason for the purchase given by H and C is that the group has become unhalanced through recent additions in its

plantation inlerests, "Our strategy is to expand in all four of our mainstream activities." said Mr. Tom Prentice, chairman of H and C, yeslerday. The four are plantations, timber, chemicals and overseas trading. But another advantage in expression before tax of \$515,000, panding outside plantations may on turnover of \$7.4m. be that H and C makes itself less attractive to any possible Far Eastern predator. Earlier this year another major Brilish

plantation company, Guthrie Corporation, was hid for by Sime Cumhernauld, Scotland.
Darby Holdings, the Far Pre-tax profit for its first year
Eastern conglomerate. But Mr.
Prentice said yesterday: "I have williams subsidiary is expected no reason to believe there is a to he not less than £70,000.

Dowty paying \$3m for U.S.

company For a consideration of \$3m. Duwty Group bas agreed to acquire the capital of Decoto Aircraft Inc. of Yakima, State of Washington, U.S.

mercial and military aircraft and precision components for generating plants. It will become a member of the Dowty Group aerospace and defence division. For its year ended September 30, 1978, Decolo made

HEYWOOD WILLIAMS Heywood Williams has paid £130,000 cash for the capital of Cavity Sealed Unit Company of

Far Eastern predator."

Cavity Seal manufactures
On the industrial side, Mr. double lazed units for the
Prentice said that H and C's building and home improvement existing chrome business was industries and will supply

Harrisons and Crosfield, the very advanced technically and Heywood Williams' existing in-plantations group which has would be able to contribute to the PPG chrome side. He was developmen, is planned.

WELLCO PURCHASES

ROBLEC IRONS
Wellco Holdings has acquired the assets of Robson Electrical Products (1965) in voluntary liquidation from the Liquidator. The purchase includes the name and goodwill of the husiness trading under the name of

Roblec makes dry irons with an aluminium sole and thermostat and this complements the acquisition of Lineass Electric

made six months ago. Decoto is engaged in the design and manufacture of hy Lineass and it is boned that bydraulic controls for comproduction will recommence production will recommence within eight weeks.

COROB HOLDINGS

Corob Holdings announces that its husiness will he unaffected by yesterday's offer by Kwik Fit (Tyres and Exhausts) Holdings for Corob Inter-City Properties (CIC). To avoid confusion Kwik-Fit has agreed to change the name of CIC to a title which does not include

LOUIS EDWARDS The EGM of Louis Edwards has approved the acquisition of

Yorkshire Biscuits.
The acquisition bas been completed in respect of over 85 per cent of the shares and it is intended that completion will

pended yesterday, four months provide a "springboard for a full takeover bid." MERCANTILE

Just before the suspension both the ordinary and the "A" shares put on 12p to 164p and 134p respectively.

INVESTMENT

Burton Group: A. J. Burton director, has sold 10,000 'A' non-

interest 1,930,000 shares.
Footwear Industry Investments: T. E. Shaw, director, has sold 17,320 shares.
Cardinat Investment Trust:
Legal and General Assurance
Society has converted £49,854 settlement. Amber Day Holdings — On April 26, following a rearangement of trusts, non-beneficial interests of J. W. Rose, director,

Tompkins, director, sold 100.000 shares at 138c on May 4. Marshall Cavendish: E. P. J. Cavendisb, director, has sold

General Accident Fire and Life: Kuwait Investment Office as at April 24 reduced its bold-ing by 75.000 shares to 12,525,000

charity, in which A. Hubert has a non-beneficial interest, has sold Bisichi Tin: E. S. Nassar disposed of 25,000 shares on May 9 and now holds 360,000 sbares (5.5 per cent).

Neepsend now bolds 461,255 shares (25.82 per cenl). Wight Construction Holdiogs: Thornwood Investments is interested in 87,000 shares (5.98

pany: Waltoni 373,000 shares. Waltonite bas hought

shares following purchases of 50,000 on May 1 and 100,000 on

Land Securities Investment Trust: Interest of Legal and General Assurance Society is now below 5 per cent.

Bank of Scolland - Knwait Investment Office has acquired interest in further 25,000 sbares making bolding 2,101,500 sbares (6,516 per cent).

Empire Stores (Bradford)

Zwevegem, Belgium

BEKAERT in 1978

take place in June.

-A consolidated turnover of £405.540 million

-£16.860 million capital expenditure

-55 factories in 14 countries (inclusive of indirect participations)

-20 own sales offices all over the world

Consolidated results of the Bekaert Group in £million*

Turnover	405.540	358.372
Net profit in favour of the Group	18.588 .	9.143
Depreciation '	18.177	16.632
Own equity of the Group	102.975	84.306
Capital expenditure	16.860	14.183
*Exchange rate on Occembar 31st in 8F	58.48	62.89
Personnel on December 31st	13,295	13,650

Breakdown of consolidated turnover 1978 by activity sector

Steel wire and steel wire products Steel wire for rubber reinforcements	38%
Furniture sector	10%
Wire and metal assembly	4%
Engineering and services	4%

Geographical breakdown of consolidated turnover 1978

E.E.C.	61%
Rest of Europe	14%
. North America	19%
Rest of the World	6% -

Results of the parent company N.V. Bekaert S.A.

— in million £*	1978	. 1977
Turnover	264.620	235,173
Net profit	9.439	6.424
— in £* Net profit per share	5.75	3.98
Net dividend (proposition of the Board of Directors to the General Assembly		
of shareholders)	7.77 ·	1.84
P. L Paramban Tlat in DE	52.42	67.29

General Assembly of thareholders: 22nd May 1979 10.30

Please write to N.V. Bekaert S.A., Secretariat General-Public Relations, B-8550 ZWEVECEM (Belgium).

suspended

Morris & Blakey Wall Papers (£311,000) for 1978 on a turoasked for its shares to be sus over of £10.601 (£8.5m). A. G. Stanley's sbares finished after A. G. Stanley, which owns the day 2p up at 238p which 16.02 per cent of the equity. gives the group a market capitaliadmitted that the slake could sation of £56.6m.

At this level a hidder would have to offer at best £4.6m for Dominion Bank. the group which last month prothe group which last month pro-duced pre-tax profits of £440,000 honds of the EEC institutions.

SHARE STAKES Peter Fattorini, director, states that truslees of settlements, in which his children have a heneficial interest, bave disposed

of a marriage dissolution

acquired 51,970 shares and R.

Metzger, director, hecome henencially interested in 60,000

shares: R. Metzger ceased to bave a non-beneficial interest in

111,970 sbares. On same day R. Metzger acquired 15,000 sbares.

J. W. Rose disposed of 20,000 shares and N. Zeff, director, dis-

S. and W. Berisford - A

Glendevon Investment Trust

Pension Fund acquired 50,000

ordinary sbares on May 11, 1979,

bringing total bolding to 500,000

Watmoughs (Holdings) — F. Vaux, director, sold 2,000 shares heneficial, P. G. Walker, director,

sold 5,060 beneficial and 6,013 non beneficial, and J. E. Wat-

mough, director, sold 10,107 beneficial and 2,697 non bene-

beneficial and 2,697 non beneficial—all at 135p on May 8.
D. H. Hohbs and J. A. V. Wade, as trustees, have disposed of 6,063, making holdings as follows: D. R. Hohbs, as trustee, 685,529 (13.7 per cent) and J. A. V. Wade, as trustee, 629,195 (13.92 per cent)

posed of 65,000 shares.

25,000 shares at 215p.

(5.85 per cent). ffi

(13.92 per cent).

An additional DM 7m has been

borrowed by Mercantile Invest-

voting shares at 315p.
London and Provincial Trust: Knwait Investment Office acquired on April 2, interest in further 25,000 shares making of 100,000 shares. Attock Petrolcum Company-Interest of D. Fitzwilliams, director, bas been reduced from 22,000 to 20,000 sbares as a result

conversion loan alock into 51,848 deferred shares (6.08 per cenl). Rusb and Tompkins Group: W.

50,000 sbares reducing bis holding to 754,179 shares.

shares (7.6 per cent).

Sheffield Refreshment Houses:

Dorrington Investment Com-

Jardine Japan Investment Trust: Merchant Navy Officers Pension Fund bolds 1,345,000

(Holdings)—K. A. C. Thorogood, director, interest increased by 16.800 shares held by his wife and subsisting upon his marriage on March 29.

Tozer Kemsley and Millhourn

Elbar Industrial—Tanks Con-solidated Investments and sub-sidiaries have increased bene-ficial interests from 2,256,292 to 2,286,292 shares (70.01 per cent).

Hunting Associated Industries -C. P. M. Hunting, director, as trustee, has sold 37,500 ordinary shares at 223 p and 12,500 reasonable final dividend for the deferred ordinary at 192 p and year after the absence of any. 2334p. R. E. Treacher, director, as trustee, bas sold 71,260 ordinary at 2234p and 23.874 deferred ordinary at 1924n. C. P. M. Hunting now holds 425,000 ordinary beneficial (3.5 per cent). 659,377 ordinary as trustee (5.4 per cent), 175,000 deferred (4.4 per cent) beneficial and 219.792 ordinary (5.4 per cent) as trustee. Huntfield Trust on May 11 hought 87,500 deferred ordinary making hold-ing 620,246 deferred ordinary t15.3 per ceot).

Morris & Blakey | Americans hold 25% of S. African golds

shares increased last year, importance of the U.S. in intershares increased last year, importance of the U.S. in inter-according to the Chamber of national gold share trading, the ing of lower-priced shares by national gold share trading, the ing of lower-priced shares by London holders, contributing to tone of which tends to be set by London holders, contributing to the interplay of U.S. investors a fall in the London kolding of the interplay of U.S. investors a fall in the London kolding of pared with 36 per cent in 1977. finance The U.S. holding is now more manipulate their large gold share than 25 per cent of the shares in

The stability of this percentage shows that investors have been chary of extensive new commitments in the sector, presumably hecause of the political situation is South Africa. The strong rise of the gold price over the past year, added to the higher level of dividend payments and the attractive yields offered by the shares, would of themselves have been sufficient to attract additional foreign interest.

But individual and corporate norifolio iovestment in gold shares has generally tended to escape the political opprobrium often atlached to direct industrial investment in South Africa. The foreign ownership figure.

published by the Chamber in its latest monthly report, is based of Johanneshurg stockbrokers. The study shows that 25.1 per The study shows that 25.1 per vide a subsidiary source of cent of Sauth African gold shares are held by American investors, slightly more than the 23.2 per market in New York acts as a

boldings.

This has been especially apparent in recent days as the share market has actively responded to the strength of the London as a shareholdin bullion price. The Gold Mines and as a trading centre. Index, which has fallen only once London's role in golding the control of th

According to the Chamber, however, the nature of the U.S. holdings in gold shares has changed to the extent that there has heen a movement towards the bigher-priced stocks at the expense of the marginal mines. This could reflect the desire to diminish risk.

The fortunes of companies with the lower-priced shares are often sensitive even to marginal movements in the bullion price, on a study undertaken by a firm while the larger mines frequently have uranium interests to pro-

Speaking at the must meeting

FOREIGN INVESTMENT in cent held in 1977. counter-attraction to the smaller South African gold mining These figures re-emphasise the stocks as a speciality medium.

foreign holding came to about the interplay of African mining gold shares to 8.4 per cent last with the South African mining gold shares to 8.4 per cent last with the South African mining gold shares to 8.4 per cent in 1977. In some extent this must indicate the continuing decline of London as a source of finance for South African mining But there is a distinction between London as a shareholding centre

Index, which has failen only once in the last 12 trading days, yesterday advanced for the sixth successive day with a rise of 1.8 to 177.2 jobbers and the aggressive inter-national search of brokers and jobbers for new business.

London attracts a certaio amount of confinental business for gold shares and the Chamber noted that there has been an increasing investment trend on the rench and Belgian registers, where capitalisation of South African gold producers now stands at 4.7 per cent compared with 4.4 per cent in 1977. By contrast there has been a perceptible decline in the foreign boldings of mining finances sbares. The percentage holding slipped from 24 in 1977 to 21.5.

Messina profitable again

THE SOUTH AFRICAN and Mines, in the Northern Territory February the Rhodesian copper mining and of Australia, and the first ship-industrial group, Mesha (Transtralia, is recovering well from the severe sethack in the year to last September when there was a loss of R6.42m (£3.7m). Speaking at the unual meeting A net profit of R1.79m, equal in Sydney, he added that the to 16.3 cents per share, is amounced for the first half of the current year hut, as indicated at the annual meeting, the company expects a final approval from the Northern Territory Government shortly and this will

enable mining to begin. company is not yet returning to the dividend list. Income from mining... Income from industry Jafter depreciation) Making Vaking Income (lose) alter tax Dutside charcholdere -

ncome (lose) ettributcomment

The recovery bas stemmed from higher copper prices coupled with a reduction in the losses of the industrial subsidiaries. Providing there is no further-falling off in the copper price the group's mining earnings should he higher in the current half year and, indeed, the com-pany expects the overall improvement in group earnings to continue. There is thus a good chance that Messina will pay a reasonable-final dividend for the

payment for 1977-78. because of improved hopes for a political settlement in Rhodesia the shares bave recovered this year from a low of 56p to the current 100p. The company distributed a total of 30 cents for 1976-77.

WORK STARTS AT NABARLEK

Mine construction work has started at the Nabarlek uranium deposit, owned by Queenstand

No fees required FACTORY/WAREHOUSE 25/35,000 sq ft SURREY Rcf: PAG EDWARDSYMMUNS Tel.01-834 8454

'Record £1M Profit for H&J Quick Group'



For the first time in its history, and despite the Ford strike, H & J Quick Group Ltd. Ford Main Dealers, recorded over £1M net profit before tax. In his Annual Statement. Mr. Norman Quick, Chairman of the Group, also reported:

 Group tumover for the year to 31st December, 1978, increased by 24% to £55,116,000 from £44,374,000

 Trading profit (before interest charges) was £1,417,000 compared with £1,410,000 for the previous year.

 Profit before tax rose to £1,026,000 from £959,000. ■ Earnings per 10p Ordinary Share increased to 8.25p from 8.04o.

making a total of 1.828p for the year against 1.65p for 1977. These record results were achieved despite the Ford strike which totally interrupted our supplies over a prolonged period. Our success was due entirely to the ingenuity and hard work of all our staff end we are indebted to them for their superb support.

The Final Dividend is 0.948p per 10p Ordinary Share

Quicks for Ford

The company plans first to ton and later to process the ore

over a period of eight to 10 years. The processing plant should he ready in the second half of next year. The customers for the uranium oxide are Sbikoku Electric Power and Kyushu Electric Power of Japan,

URANIUM SEARCH IN GUYANA

uranium exploration agreement in three months reports our Georgetown correspondent. Grundstofftechnik of Essen has one year's non-exclusive permis-sion to search for uranium and will be able to retain 11,450 square miles for mining if the search is successful.

Traces of uranium were found cross-bore in the country 10 years ago. In affected.

signed an exploration agreement with Cogema of France. Test drilling for

new nuclear site THE CENTRAL Electricity Generating Board, looking for a

consultation exercise on the

site for a £500m nuclear power: mine the orebody of 10,500 tons station, is to start test drilling Roco Rooo grading 47 lbs of uranium per in the summer nn 200 acres of land at Druridge Bay. Northumberland. The tests are vital to estab= lish whether the land is suitable, for a power station employing. 2,000 people. The CEGB wift take part in a two-month public-

Ulster fares may rise 15% Guyana bas signed Its second

RAIL FARES in Ulster afe expected to rise by an average of 15 per cent from next month. with the largest increase falling on season tickets. Northern Ireland Railways said it was the first increase for two years. Fares on the Belfast-Dublin cross-border service are not

Higgsand Hill Limited

	1976 2000's	1977 £0 0 0's	1978 £000's
Tumover	. 103,000	106.000.	96,000
Profit before tax	2,275	5, 130	2,094
Profit after tax	*1,T17	1.535	1.905

Main points from the 1978 Statement by the Chairman,

Reduced profit before tax was due to provision for losses on civil engineering work in the United Kingdom and in Trinidad.

Very low tax charge results from the benefit of stock relief on increased developments and work-in-progress, particularly in housebuilding and property.

Recommended final Ordinary dividend is 1.6373p per share. making a total of 5.855 lp per share for the year (1977: 3.4525p). Triennial revaluation of investment properties revealed a surplus

of £1,679,000. Construction profits were higher, although on a reduced turnover. Several major projects successfully completed. Refurbishment and management contracts are of increasing

Civil and structural engineering activities reorganised and new work opportunities identified.

importance.

Overseas construction work continuing satisfactorily in Trinidad, Property Division enjoyed a successful year. Developments completed at Staines and Falkirk and new schemes commenced,

In France new commercial and industrial schemes in progress near Pans, with considerable interest from tenants and investors, Housebuilding again made satisfactory profits, offering homes

designed to a high quality on attractive sites. Copies of the Annual Report now available from the Secretary.

Building, Civil Engineering and Property Group.

Crown House, Kingston Road, New Maiden, Surrey.

COMPANY NOTICES

Consolidated results for the financial year 1978

	1977	1978	. %
	(in Frs.)	(in Frs.)	
Total profits	56,689	35,298	-37.74
Turnover	1,691,589	1,960.130	
Trading profits	193,234	153,490	-20.57
Total balance sheet	521,660	593,924	+13,85
From the results of the P corrections have been mad	e so reach t	he consolidere	ed results:
-Results of the Perent C	ompany	••••••	53,609
After deduction of the reco			
for investment			14,240
Results of the activities of	the Parent	Company	39,369
And effer taking into account the gubsidieries:	nt the follow	ing elements o	oncerning
-Dividends received in 19	78	1.572	
-Profits		+10,521	
Losses		19.517	

-- Miscellaneous corrections + 6,497

—Group's net results

-Minority shareholdings not results

Total consolidated results

INCORPANY LIMITED INCORPANY LIMITED INCORPANY LIMITED SOUR ANTONIA INCORPANY LIMITED NOTICE TO PREFERENCE SHAREHOLOERS S.5 PER CENT CUMULATIVS PREFERENCE SHAREHOLOERS NOTICE IS HEREBY GIVEN that Deviced No. 70 of 2.7556 filwo and three NOTICE IS HEREBY GIVEN that OUT the salt year ending Sich year cond. For the salt year ending Sich year cond. For the salt year ending Sich year that been conderred paventer Siders of 5.5 per cort cumulative prefer Source shares, registered in the books of the Sompany at the Close of business on 15th Isroe, 1079. The dividend is declared in the currency of the Ospaelic of South Africa, and the Ospaelic of South Africa and the Desired Condend, the company's resister social source of the company's resister social in the Desired Condend, the company's resister social into the salt of the company's resister social into the Case of the company's resister social into the Case of the deduction in 15 per cent non-resident shareholders' whose addresses are outside the Republic of South Africa. By order of the Buard. In 100 Holborn Viaduct. Life Idn. Life Idn. Life Idn. Life Idn. John Consultated Limited. A. South Africa. Life Idn. Life Idn.	Ther and to apply that sum in a war in full new Ordinary shreet of the infull new Ordinary share hold Renounceable certificates for the Ordinary shreet destributable to respondings of registered shares will be an ist june. 1979. To enebla holders of Ordinary shreet ordinary shreet destributable to respondings of registered shares will be an ist june. 1979. To enebla holders of Ordinary shreet ordinary shreet ordinary shreet ordinary shreet ordinary to be denousled by warrants to Bear other new shares annunceable corrison the new shares annunceable corrison the new shares annunceable corrison the denousled on an effore 13th july, if I loyds Bank Limited, Issue Still Broad Street, London EC2N tignelher with e daily completed Action Form and Listing Forms, convoiced the sharest control act. Or by un Androved Agent who into of the Exchange Control Act. Or by un Androved Agent in the Oct I Ireland. If Coupon No. 150 is not so deep tropother with e duly completed Action Form sod Listing Forms on or illed ordinary with the control of the Coupon No. 150 is not so deep tropother with e duly consistence of the Board of the Moder of Such Warrant would have been entitled and the holder of such Wa on subsequently depositing Coupon No. 150 will be the next of Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 will be the next of the Coupon No. 150 wi
THE "SHELL" TRANSPORT AND TRADING COMPANY, LIMITED	Shell Centre,

THE MESSINA (TRANSVAAL) **DEVELOPMENT COMPANY LIMITED**

Directors, Commander H. F. P. Grenfell, DSC, RN (Rei'd.), Chairmen

Jaiet Managing OSO. N. C. (alicinate).	Sir Kerth Acutt, KBE, *Dr. F. J. du Pleasis, *I. Mackeezie. Iverson (Germen), *R. P. Whritield, D. G. Nicholson	
forteniatel.	South Alrican.	
	INTERIM REPORT	•

* South Alticen.	
INTERIM REPORT	
NAUDITED CONSOLIOATED INCOM	E STATEMENT
	C

income from mining (eller depreciation)	8,211 4,653	2,036 1,468
Prospecting expanditure interest (net), dividends and other income	12,864 (214) (6,792)	3,504 (211 (5,207)
Incamo, (Loss) before texalion	5.856 2,855	(1,914) 121
lecomo.'(Loss) after tassiles Attributable to outside shamholdem in eubsidisries	3.003 1,215	(2,035) 434
incame/(Lose) attributeble to Helding Company	1,788	(2,489)
Doubled detend	_	

Cents per ehere Earwings Dividend		18.3	=
CAPITAL CO	MMITMENTS	31.3.79	hE Eeded
Commitments in respect of capital ex	penditure	8,884 NU	10,741
	RESULTS	31.3.79	he anded 31.3.70
Cooper Dio milfed Bacovarable conocr		10,334 13,853	1.608,900 14.064

COMMENTS

NOTICE TO SHAREHOLDERS

LEGAL NOTICES

PETBOURNE LIMITED AND IN THE MATTER DF THE COMPANIES ACT 1948

14,632 16,395

any), to the undersigned

KEITH DAYIO GDDDMAN, FCA,

3/4 Benunck Streat,
London W1A 28A,

the Liquidator of the said Company,
and, if so required by notice in writing
from the scid Liquidater, are, gerseally
or by their Solicitors, to come in- and
prove their debts or claims at such
rime and place as shall be specified
in such notice, or in default thereal
they will be excluded from the benefit
at any distribution made before such

Oated this 14th day of May 1979, KEITH OAVID GOCDMAN, Liquidater,

APPOINTMENTS

Marketing

CONSTRUCTION EQUIPMENT

- FOR THE PURPOSE of early succession a well-established manufacturer of construction equipment seeks to appoint a Marketing Director designate.
- THE PRIME ROLE is to plan and direct marketing strategy at home and overseas, control a sales force of approximately 50, and supervise distributors.
- SUCCESS in marketing comparable capital equipment, in home and export markets, at or near board level, is the essential requirement.
- TERMS are for discussion based on a salary well into five figures. Location: South of England.

Write in complete confidence to J. E. B. Drake as adviser to the company.

TYZACK & PARTNERS LTD

10 HALLAM STREET ., LONDON WIN 6DJ 12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Operational Review

LONDON

- · THIS is a career appointment in a large British manufacturing and contracting group with extensive overseas interests.
- . THE TASK is to lead and direct a small high-calibre team in a department undertaking a wide range of operational and financial systems reviews. The level of authority involves dealing with senior management in all areas of the group's activities.
- A QUALIFIED ACCOUNTANT is required who is preferably a graduate. The scope of the work could well attract experienced managers (of either sex) in their early 30's of leading international accounting firms wishing to move into industry.
- A FIVE-FIGURE SALARY is negotiable, and group benefits include a substantial incentive bonus scheme and car.

Write in complete confidence to Dr. R. F. Tuckett as adviser to the group.

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COMPANY NOTICES

DIVIDEND DN CERTIFICATES FOR DRDINARY CAPITAL ISSUED 8Y N.V. NEDERLANDSCH - ADMINISTRATIE- EN TRUSTKANTDDR

PROVINCE DE QUESEC

The Fiscal Agent.
CREDIT LYONNAIS LUXEMBOURG

EDGAR ALLEN, BALFOUR LIMITED

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> **FINANCIAL TIMES** THE MONDAY TO SATURDAY PAPER

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Oven-ready chickens 40.0/43:0

BY KEVIN DONE, ENERGY CORRESPONDENT

ENERGY REVIEW: THE TORIES AND THE UK OIL SHORTAGE

EOOD PRICE MOVEMENTS Danish A.1 per ton ... 1,150 British A.1 per ton ... 1,065 Ulster A.1 per toni ... 1,065 BUTTER 14.11/14.24 14.11/14.24 14.11/14.24 Danish saled per cwt† 85.10/87.85 85.10/87.85 85.10/87.85 English cheddar trad. per tonne EGGS* Home produced: 3.60/3.80

Week ago

58.0/62.0

51.0/52.0

34.0/45.0

Month ago

36.0/40.0

48.0/50.0

39.0/43.0 --- 38.5/41.0

34.0/45.0. ...

The Directors of Toncoro have approved the publication of the following: TONGAAT COROGROUP

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. § For delivery May 1925.

(Formerly Primrose Industrial Holdings Limited) (Incorporated in the Republic of South Africa) Directors: J. B. Robertson. (Chairman), A. R. Kemp* (Deputy Chairman and Managing Director), J. D. Brittan, D. J. Gevisser, W. M. Grindrod, W. F. Hamilton, A. D. Hankinson, B. M. Medwey, D. H. Mitchell, E. C. Rutherford, G. J. J. F. Steyn.

Registered Office: 397, North Coast Road, Briandene, Durban North 4051 PROFIT AND DIVIDEND

ANNOUNCEMENT

The audited profit for the period ended, 31st March 1979 amounted to R3.016,000. Trading results for the period include 9 months of the original Primrose Group, and 12, months of the Coronation Industrials Group.

Group Turnover	rch 1 979 30 000	ear Ended th June 1978 R000 30,987
	303 · 229	1.116 (4)00°e 55:47
Attributable to minority shares holders diameter to the latest to the la	,074 ,058	**************************************
	016 540	1.016
Balance of profit for the year	476 14.1	707 ——— 9.2
The Directors will recommend to Shareho		

General Meeting to be held on light July 1979 that a dividend of 5 cents per share be paid. The total distribution for the period of 5 cents is thus to be compared with 5.5 cents during the year ended 30th June 1978.

e major na projekti. Postanija

Maring Control of the Control of

Car Service

Mr. Howell follows in Labour's footsteps

Howell was a Minister at the Department of Energy the nation was in the middle of the three-day week. Oil product supplies were on allocation and the chief husiness of the department appeared to be concentrated on issuing variation orders allowing a motley group of industries from iron and steel manufacture to bairdressing to use a little more electricity or

to extend their opening hours. That was five years ago, but " Mr. Howell, now the new Secretary of State for Energy, could be forgiven a slight feeling of deja vu. His first important foray from Millbank took him to Brussels yesterday to a meeting of the EEC Council of Energy Ministers. Member governments were given a serious warning earlier this week by Herr Guido Brunner. the Energy Commissioner, that the Community was falling well short of its energy saving transparent which are aimed at belping to bring some delicate halance back to the world oil

supply system.
Next week Mr. Howell will be in Paris for the ministerial meeting of the International Energy Agency, when again action by the industrialised world to cut its oil consumption will be top of the agenda. Clearly the position in the UK over fuel supplies is nowhere' as serious as it was in the early days of 1974. Five years ago the local energy supply picture in Britain was complicated by the eminers' strike and the sbortage of coal supplies for the power stations.

Oil embargo

oil market. embargo, bowever, crude oil and product supplies were also was directly involved in the become publicly involved in the become publicly involved in the process, of allocating supplies issue of all supplies as his predecessor, Mr. Anthony Wedgand it was Mr. Peter Walker, wood Benn, Mr. Benn limited short . The Government itself lary, who made the public himself to a muted appeal to announcement in November, were cutting deliveries to their restraint in the use of oil pro-

customers by 10 per cent. February some of the smaller, resources of crude oil have be-UK oil suppliers, faced by the loss of crude oil supplies from Iran, started making their own cut-backs in deliveries. Burmah. which has seen its share of the UK petrol market shrink from age of oll, when the crude that about 24 to less than 2 per cent. In recent months, cut deliveries to 80 per cent of last year's

the French oil com- clency by late next year. Total, the French oll com-pany, has cut deliveries of both

Buckey . Buch the free of the second second second

in president expression of the second

Carter Services and Services



Mr. Howell, Secretary of State for Energy (second from the left) and his team: Mr. Hamish Gray, Minister of State, and Mr. John Moore and Mr. Norman Lamont, Parliamentary Under-Secretaries.

petrol and middle distillates. products such as jet fuel, heating oil and diesel by 15 per cent. Texaco, one of the top five UK oll suppliers has cut petrol supplies to 92 per ceot of last year's levels and middle distillate products to 80 per cent. Gulf has cut deliveries of both petrol and gas oil hy 10 per cent. None of the three majors-Shell. Esso and British Petroleum—have yet instituted cuts on this scale, but they are keeping deliveries to last year's levels, which is a current cut of perhaps 3 per cent taking

into account the growth in the

For the momeot, however, Mr. Howell appears as loathe to become publicly involved in the consumers, delivered in a Par-Hamentary answer, to exercise ducts and avold waste. Since So what has changed? In 1973-74 the UK's own domestic gun to flow ashore from the North Sea. The Government has found it politically embarrassing to try to explain why the nation is suffering from a shortis being pumped from the North Sea is already equal to about three-quarters of our needs and should be enough for self-suffi-

Mr. Benn clearly jumped at

ally left at that.

though perhaps for different reasons. Mr. Howell has arrived at the Department of Energy at Millbank as part of a Government pledged to non-interven- sense and steadily rising prices. tion. He believes that motorists have already shown common sense in not panicking and rushing to buy up all available petrol supplies and he clearly feels that, elsewbere, sharply rising oil product prices will force consumers to reduce

The flaw in the Government's present policy of substituting about the direction in which coal for fuel oll in the power their new Secretary of State stations is that any resulting might try to lead them. saving will be only of heavy oil products, which are not in especially high demand. The particular sbortege at the moment is of lighter products such as petrol dlesel, jet fuel to be at the model of the British National Oil Corporation. It is still too early and beating oil There are not to be at the model of the British National Oil Corporation. It is still too early the model of the British National Oil Corporation. It is still too early the model of the British National Oil Corporation. It is still too early the model of the British National Oil Corporation. It is still too lean them. saving will be only of heavy oil such as petrol dlesel, jet fuel and beating oil. There are not yet enough refinery conversion units on stream to process fuel trimming back some of oil. Into lighter products (although the oil industry is leges—such as it having first currently lovesting hundreds of millions of pounds in having into other oil. millions of pounds in building companies' offshore licencesfonr new units at Milford Haven, on the Tbames Estuary and on Humberside). The net result of having reduced demand

lly left at that. seen as a "busy-body" which It's a solution that is already will be interfering further in appearing equally attractive to the new Tory Energy Secretary.

people's lives. For the moment oil company has to play under the new Tory Energy Secretary. let the oil companies get.on with running their own rationing systems; and the rest can

Take his time

be left to people's common

On other Issues of energy policy he is also determined to take his time before launching any new initiatives. Officials at the Department of Energy are still in the dark to justify a rise in PRT.

their new Secretary of State

to be certalo whelber this will lead simply to an exercise in trimming back some of or whether the change in the role of the State oil company will be more fundamental. Mr. Howell is anxious, how-

one apparently obvious solution for fuel oil could actually be to ever, that the review should be well hefore the summer recess in August the exact role a State

> The Government must also decide soon on whether it wishes to follow the path proposed by the Labour Govern-inent of raising the rate of Petroleum Revenue Tax and reducing the various allowances given by the present oil taxa-tion regime. The final package will he revealed in the Budget next month, but present indica-tions are that the recent rises in crude oil prices will give the Government sufficient pretext

Important areas of oil policy such as the taxation regime and rate at which the North Sea oil fields should be depleted will clearly he heavily influenced by decisions taken at the Treasury rather than at the Energy Department. Mr. Howell is clear that the Government's first priority is to exert a tighter control over the UK's finances and to reduce public expenditure. It is from that base that much of his energy policy will have to flow.

He and his three-man energy Icam are certain to bring a new slyle to the Department, how-

cession of energy industry executives that have trooped through the office since the election anxious to take the measura

of the new Energy Secretary, Most discreet industry hobby ing before the election was clearly directed towards M. Tom King, who led the Tories

energy team in Opposition Mr. Howell has been closely identified with Mrs. Thatches and during the Election can paign assisted in writing many of her speeches on econom affairs. He was formerly a clear associate of Mr. Heath, having taken a major role in writing the Tories 1970 menifesto, but moved fairly easily into the new leader's camp taking an important role in the "stadow Treasury team. In the last Conservative Government he had spells as a junior Minister in several departments including Civil Service (with the job of streamlining the Government machine). Employment the Northern Ireland Office and Energy. He is regarded as one of the brightest younger men-bers of the Thatcher Cabine Colleagues in the Conservative Party find him cold but business-like.

The only member of th Tories' "shadow" energy team to take a similar role in Govern ment is Hamisb Gray, the new Minister of State. Representing Ross and Cromarty, he is the necessary Scottish MP needed to replace Mr. Dickson Mabon in the job of dealing directly with the oil industry and of convincing Scotland that its oil also belongs to the rest of the UK.

To look after the coal industry in succession to ex-mlner Mr. Alex Eadie, Mrs. Thatcher bas chosen Mr. John Moore.- The contrast could not be more striking. Mr. Moore is a man of the City, chairman of the international division of Dean Witter Reynolds, one of the largest U.S. stockbroking firms; his biography is dotted with items such as "took part in expedition from Northern Greece to India overland tracing Alexander's route, 1960 "Democratic Precinct Captain, Evansion · Himols, 1964." Since last year Mr. Moore bas been a Lloyd's under-

For Mr. Norman Lamont, the other junior Energy Minister, his post looking after onshore gas, electricity and nuclear power is something of a comedown after serving as Sir Mr. Howell's office as yet on industry in Opposition. Keith Joseph's main assistant

wrlter.

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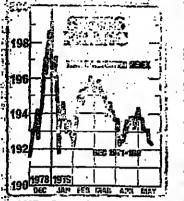
Dollar firm

oil than some other major industrial countries.

ESPONOL'

The U.S. currency rose to DM1.9135 from DM1.9060 against the D-mark, to SwFr 1.7325 from SWFr 1.7270 against the Swiss franc, and to Y216.80 from Y214.40 in terms of the Japanese Yea. On Bank of England figures, the dollar's tradeweighted index rose to 86.3 from 36.0.

"Sterling showed little move-ment most of the day, trading within a general range of \$2,0385-



It touched a best level of \$2.0620-2.0630, but fell to \$2.0550-2.0560 in late trading. and closed at \$2.0555-2.0565, a fall of 50 points on the day.

The pound's index, ss calculated by the Bank of England, was unchanged throughout et

Irish punt lost ground

The dollar was very firm in against the dollar and sterling, the foreign exchange market yes- but was firmer against most the douar was very nrm in against the dollar and sternug, but was firmer against most terday, reflecting improved equitonic possible reason for the dollar's strength was commercial demand the strength was commercial demand declined to \$1,2800 from \$1,2860. to meet increasing oil prices. It The Irish currency also fell was elso pointed out that the against the liellan lira, the U.S. is less dependent on foreign strongest member of the EMS. rose to BFr 60.64 from BFr 60.58 against the Belgian franc; to FFr 8.7480 from FFr 8.7427 against the French franc; to DM 3.7885 from DM 3.7853 sgainst the D-mark; to Fl 4.1265 from Fl 4.1229 against the guilder; and to DKr 10.5736 from DKr 10.5485 against the Danish

> FRANKFURT—The bank sold \$9.7m when the dollar was fixed at DM 19074 against the D-mark compared with DM 19065 previously. The U.S. currency moved within a very narrow range of DM 1.9061 to narrow range of DM 1.9061 to DM 1.9077, and may have been helped by commercial demand reflecting increased oil prices. Sterfing fell to DM 3.9260 from DM 3.920, and foreign erchange trading was generally described as quiet. The fixing level for the dollar was the highest recorded so far this year.

MILAN — Trading was quiet, ith the dellar firm, while sterling and most members of the European Monetary System lost ground against the lira. The dollar rose to L851.95 from L850.95, sterling fell to L1,752.70 from L1.755.55, and the D-mark declined to L448.03 from L448.02

TOKYO - The dollar rose slightly in moderate trading yesterday. It closed at Y215.121 yesterday. It closed at 125.125 against the yen, compared with Y214.921 previously. The U.S. curreocy opened at Y214.70, and touchod e high point of Y215.60 et the end of the

EMS EUROPEAN CURRENCY UNIT RATES.

	ECU central :	amounts against ECU May 17	from central rate	% change adjusted for divergence	Divergence
Belgion Franc	39.4582	40,3822	+2.34	+1.68	-1.53
Danish Krons	7.08592	7.10433	+0.26	-0.40	- 1.695
German D-Mark	2.51064	2.52361	+0.51	-0.15	-1.1326
Franch Fronc	5.79831	5.83199	+ 0.58	-0.08	±1.36
Outch Guilder	2.73077	2.74836	+1.01	+0.25	+1.5075
teish Purit	0.662638	0.666296	+0.55	-0.11	+1.666
Stalian Lira	7148.15	1125.53	-1.97	-1.97	±4.0725
Channe	are for EC	II aka-alam	manistre at		

week currency. Adjustment esignized by Financial Times.

THE POUND SPOT AND FORWARD

May 17	· spread	Closb	One month	0.1.	months	p.a.	
U.S.	2.0550-2,0000	2.0565-2.0565	0.33-0.23c pm		\$.72-9.82 pag		ŀ
Canada	2,3755-2,3855	2.3750-2.3770	0,35-0,25c pm	1.51	0.55-0.56 pm		ı
Nathind.	4.27-4.30	4,29-4.29	2-10 pm	4 20	F.C. pin	6.02	Ĺ
Balgium	62,70-63,25	62.85.62.65	25-15c pm	3.82	65-26 pm	3.82	ı
Denmark,	11.03-11.10	11.06 - 11.07 -	31-11-ore pm	244	Se 3 pm	1.54	1
kaland	1.0360-1.0400	1.0385-1.0385	75-250 die	~2.31	80-70 dia	-2.50	Ĺ
W. Ger.	3.92-3.95	3.534-3.364	24-14pt pm	6.85	5'-5's ace	6,35	,
Portugal	101.60-102.20	101,75-102.05	50-110c dis	-9.42	150-250 dia	-7.86	1
Spaio	135.70 135,10	135.80-125.90	15c pm-36c die	-0.88	10pm-90dia	~1,03	ı
italy	1,749-1,765	1,749-1,750-	2 line pm-par	0.40	2-1 pm	8,46	ı
Norway	10.57-10.72	10.69-10.69	412-21-014 AT	4.21	11-0 p.m	2.74	Ĺ
France	9.06-9.101	9.07 - 8,081	24-14a pm	2.63	4.3 pm	1,76	Ĺ
Sweden .	3.02-9.04	3.031, 0.00°	24-yore pm	1.65	54-34, em	2.10	Ĺ
Japan	440-448	445-446	3,00-2,60y pm	7.54	8.00-7.50 pm	8.95	1
Austria	28.88-29.05	28.95-29.00	20-10grs pm	6,21	48-38 pm	5.54	Ĺ
Switz.	3.541-3.58	3.55-3.57	7-21-c am	10,10	94.47, 201	10.52	

THE DOLLAR SPOT AND FORWARD

May T	Day's spend	Ciosa	One month	7.0	Three months .	%,0,0,
Ukt		2.0543-2.0545	0.33-5.23a om		0.72-0,42 pm	7.0
Indiana	11 1_1000-1_1000	1.4800-1.5850	· 0.30-0.70c pm	4.84	2.10-1.55 cm	3.5
Canad	at 86.40-85.50	26.46-85,43	0.020 pm-par		6.11-0.06 pm	0.44
Nothin	d, 2,0760-2,0600	2.0758-2.0795	0.66-0.50c pm		1.65-1.55 003	3.00
Belgius		30.53-30.40	2-7c pm		20-18 pm	2.0
Denma		5.3845-5.3000	0.75-0.25ers pm	1.11	0.75-0.25 pas	0.37
W. Go		1.9118-1.9128	0.68-0.78pf pm	5 21	2.45-2.35 am	5.00
Portug		40.52-49.43	23-46c (84		90-140 dia	9.2
Spain		86.05-86.10	per-10s dis		20-30 dia	1.51
Italy	150.70-551.25	\$50.80-851.20	0.25-0.55lim dis		1.50-2.00 dia	0.32
Norwa	y 5,1940-6,1080	5.1960-6,1965	7. 10-0.20ors pm	1.66	3.40-2.90 por	2.4
France		4,4145-4,4165	0,40-9,20c pm	0.81	0.30-0.70 pm	6.72
Swede		4.3920-4.3930	0,30-0.19ore pm		1,20-1.00 00	1.00
Jepen		215.96-216.15	4 40 4 604 970	-	3.05-2.95 pm	
Austra		14.087-14.083	1.10-1,00y pm 6.10-5.60grs pm	2.03	ALESCAN PRO	3.5
Switz.				- 25	16.25-14.75pm	
	1	1.7320-1.7330	1.40-1.20c pm		4.05-3.95 pm	9.2
† UK	Ireland and Car	anda are apos	ed in U.S. curren	CY.	Forward pren	N. Carte

and discounts apply to the U.S. dollar and not to the individual currency.

CURF	EN	Y RA	TES	CURRENCY MOVEMENT					
May 1e	Bank rate	Special Drawing Rights	Epropesn Currency Unit	May 17	Bank of England Index	Morgan Guaranty changes			
Starling	7 8 4 61g 91g 101g 414 7 8	1.27255 1.47209 17.8550 38.8129 0.82783 2.49053 2.49053 2.64285 5.60702 1080.08 275.240 6.61401 84.0337 5.58634	0,641704 1,52584 1,53659 18,5867 40,3830 7,10304 2,24865 6,83216 1196,58 283,666 0,88064 87,4394 5,61098	Starling U.S. dollar. Canadian dollar. Austrian schilling. Bei glan franc. Danish kroner. Deutsche Mark. Swise franc. Guilder. French franc. Lirs Yen Sased on trade we Washington agreen	192.2 193.3 98.0 64.8 134.8				

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	MARKETS
LIIHEK	MARKEL
~	1331 A 1 3 4 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

May 17	£			Note Rates
Argentina Peso	2469-2459 1.8360-1.8600	1188-1190	Belgium	281-291 841-651
Australia Dollar Brazil Cruzalro	50.39-51.39	24,50.35.00	Denmark	11.00-11.10
Finland Markka Greek Brachma	70.892-77.729	30,90-37.80	Germany	3,87-3.97
	148.08-154,20	72-75	Haly	1,720-1,760
Luxembourg Frc.	62.85-63.95	30.59-50.61	Norway	10,84-10.74
Maleysia Dollar New Zealand Dir.	4.5760-4.5866 1.9560-1.9720	2,2255-2,2308	Portugal	98-101 184-187
Saudi Arab. Riyal Singapore Dollar.	6.91-7.01	3.5808-3.3610	Switzerland	2.0550-2.0550
Sth. African Rand	1.7515-1.7416	0,8420-0.8470	Yugoslavia	4844

LEURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dellar corplicates of deposit: one month 10.40-10.50 per cent; three months 10.45-10.55 per cent; six months 10.65-10.75 per cent; one year 10.75-10.85 per cent.

1 May 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swise Franc	West Garman Mark	French Franc	Italian Lira	Jalan S	Japanese Yen
iShart term	11%-1214 1178-1219 113-12.4 132-12.7 123-13.5 123-12.5	10-1014 1015-1056 1014-1015 1056-1076 1015-1176 1014-1176	91g-101g 91g-101g 103g-11/g 107g-11/g 10/g-11/g 10/g-107g	7.714 7.714 716.75g 7.5-714 8.5-8-8 878-848	1 14116 2 218 318-218	512-012 512-012 014-554 559-016 613-614	9-10 9-10 9-2-10-2 10-10-10-2 10-10-2 10-10-2	8.10 10-11 10-12-11-2 11-12-12-12-12-12-12-12-12-12-12-12-12-1	1012-1044 1010-1012 1012-1013 1011-1114 1012-11	198% 4%-6% 419-514 419-514 87-514 87-614

Lang-term Eurodollar deposits; two years 10%-10% per cent; three years 10%-10% per cent; four years 10-10% per cent; five years 10-10% per cen

EXCHANGE CROSS RATES

May 17	PoundStarling	U.S. Dollar	Dautechem's	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dellar	Belgian Franc
Pound Sterling	0.450	2.050	3.938	445.5	9.080	2.565	4,255	1750.	2.577	62,90
U.S. Dollar		1.	1.910	916.7	4.418	1.784	3.084	851.0	1.156	80,59
Deutschemark	0.854	0.622	1.	113.1	2.306	0.905	1.088	444.4	0.604	15.97
Japanose Yen 1.000	2.245	4.515	5.838	1060,	20.38	8.002	9.818	5928.	5.354	141.8
French Franc 10	1.101	2,264	4.830	490.6	10.	3.926	4.719	1927.	2.017	eg.27
Swiss Franc	0.281	0.577	- 1.104	120.0	2.547	1.	1,802	490.5	0.667	17.64
Dutch Guilder	0.233	0.480	0.919	104.0	2.119	0.ee2	2,449	408.3	0.555	14.58
Italian Lira 1,000	- 0.572	1.175	2.250	254.6	0.182	2.037		1000.	1.858	55.95
Canadian Dollar 15	0.421	0.865	1,657	187.5	5.821	1.500	1.803	736.5	3.778	26.47
Belgian Franc 169	1.590	8.269	6,260	708.3	14.44	5.668	6.812	3762.		100.

INTERNATIONAL MONEY MARKET

Dutch rates ease

AMSTERDAM—Intorest rates showed an easier tendency yesterday following the introduction of a special loan facility by the authorities, This is designed to improve the liquidity periods, with call money at 5.05 solved bank has been 5.15 per cent, one-month money at 5.90-6.00 per cent and three marks tender the Bank met month money at 5.90-6.00 per cent from 71-71 per cent gainst 7-71 per cent gainst 7-720 per cent egainst 7.00 per cent against 7-720 per cent egainst 7.00 per cent gainst 7-720 per cent

UK MONEY MARKET

Free credit supply

Bank of England Minimum

Lending Rate 12 per cent

(since April 5, 1979)

Conditions were more relaxed backs. On the other hand banks in the London money market yesterday and discount houses managed to balance their books without any intervention by the authorities. This was the first time since March 15 that the Bank of England had abstained from giving any form of help.

The market was faced with a small net take up of Treasury call loans at the start with closing at the understance as well as the understance as well as the understance of a small amount of eligible bank bills on a resale to the other hand banks are the forecast of a surplus to 11-11; per cent where it beld until lunch time. Rates then slipped to the forecast of a surplus to 11-11; per cent where it beld until lunch time. Rates then slipped to the finetnated between 9; per cent and 11; per cent before closing at 11;-12 per cent and then finetnated between 9; per cent and 11; per cent to 10-10; per cent and then finetnated between 9; per cent and 11; per cent before closing at 11;-12 per cent and then finetnated between 9; per cent and 11; per cent before closing at 11;-12 per cent.

Kates in the table below are nominal in some cases.

LONDON MONEY RATES

May 17 C	Starting ertificate of deposit	Interbank	Local Authority. deposits	Local Arth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury	Bank Bills &	Fine Trade Bills #
overnight		11(4-11(4) 11(4-11(4) 11(4-11(4)	121 ₉ 117 ₈ -121 ₈ 113 ₄ -117 ₈ 113 ₂ -113 ₄	1319-1214 1219-1114 1219-1114 1112-1114	123s 123s 121s 121s 121s 117s	1114 		- - 114-114 114-114		124 124 124 124 124

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority larigage rates nominally three years 11½-12½ per cent; laury years 11½-12½ per cent; five years 12½-12½ per cent; OBank ill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11½ per cent; per cent; three-month ade bills 12½ per cent; and three-month laury per cent; three-month laury per cent; three-month laury per cent; three-month laury per cent; and three-month laury per cent.

2's per cent.

The per cent from May 1, 1979, Charing
Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from May 1, 1979, Charing
Finance Houses for amoil sums at seven days' notice 9.8% per cent. Clearing Bank Rates for londing 12 per cent.

and Deposit Rates for amoil sums at seven days' notice 9.8% per cent.

The century Bits: Average tender rates of discount 11.4305 per cent.

GOLD

Record close

Gold eased olightly from its highest levels resterday, but still finished at a record closing level of \$2561-2571, a rise of \$1 on the day. The metal touched an

May 37 | May 15

	STRIP COURSE	Amirai
	\$2561g.2574	
Opening	12561-257	12124.2-124 1356-2563
	(£124. 4-12 4.7	YET25.3-124.3
Marning fixing	\$257.55 2194 025	\$256.10 (£124.176)
Afternoon	\$266.80	\$856.50
fixing	(£124.630)	£124.525)
	Coins, domes	
Krugerrand.	\$279 4. 9264 (2186-108)	42155 L185
New	37274	18782-744
Sovereigne		2911-991 (5991-991)
		65391 4DD
	oine, interne	
Krugerrand.	1265 268	F2641 2661
	(21291-1501)	NE 1204-1295

all-time high of \$2581-259 after the morning fixing, but eased slightly in the afternoon. Trading was very active. was very active.

In Pario the 12f kilo gold ber was fixed at FFr 37,700 per kilo (\$256,02 per ounce) in the afternoon, compared with FFr 37,700 (\$256,19) in the morping, and FFr 38,300 (\$270,38) Wednesday afternoon. In Frankfurt the 12f kilo ber was fixed at DM 15,800 per kilo (\$258.96 per sunce) compared previously with DM15,740

(3256.86). MONEY RATES NEW YORK GERMANY

Discount Rate

FRANCE

IAPAN Diacount Rate
Call (Unconditional) ...
Bills Discount (three-mo

As those bonds having bean sold, this ar



Red Nacional de los Ferrocarriles Españoles

DM 100,000,000 7% Bonds due 1987 guaranteed by the

EXECUTIONS INTERNATIONAL GROWN

STATE OF SPAIN

WESTDEUTSCHE LANDE GIROZENTRALE

BANCO DE VIZCAYA

CHEDIT COMMERCIAL DE FRANCE

MATHEMARKET HARRIS UPHAMACO.

ORION BANK LIMITED

Braik Corporation (Overseas)

Alaki Bank of Kinyall (K.S.C.) Algemene Bank Hederland M.V.

lerdem Bank M.V. Arab Finance Corporation S.A.L. Bathe Halesy Street Ship lds

Sanca del Gottard Rescadi Rome

Basco Urgulio Historio Sai

Early Julius Bast International Limited Bank für Gernelmust

Manque Arabe et let et (B.A.LL) moles Lumbert S.A.

Banque Française de Commerce Exiérise Banque Générale du Luces Société Anonyme

Rename de l'indoct male à Lorenda Ranmo Nationale de Poris une de Paris et des Paye-Bes Manque Populaire Sulsee S.A. Lunca aug Rothachfle

Bayerische Hypothekan-und Serfeet Bank

Biyth Eastman Dillen & Co. International Limited

B.S.L. Vindary Hory Limite Colore des Dépôts et Con

-Lettys ion Entrate M.X. Richard Days & Co. Dás norske Cres DG Bank Dilles, Read Ove

A.R.S draffed

Na Samuel & Co.

Kata Look Lahman Brothesi nin Strike, Co

Lazard Brithary & Co.,

Merek, Finck & Co. Mentil Lynch Intern E. Mateloranal, Make & Co. Maddami Sunk of Also Dischil

The Matierral Back of Scoule & A. K. Namura Europa N.Y. Mandacho Land

Set Opportion k. & Cle. Pjerson, Heldring & Pier thicklit Eack Aft

Singly Schroder Wagge Co. teritik Cinimir

Svendye Hambaha Telesconers E Breckbarrett white- and Wes L. Ventobel& Co. A.G. Weeburg & Co. Lid.

Westijs Asia Limited Wood Bundy Limber

Régie Nationale des Usines Renault

has acquired for

\$115,000,000

a minority interest

Mack Trucks, Inc.

a subsidiary of

The Signal Companies, Inc.

The undersigned initiated this transaction and acted as financial advisor to Régie Nationale des Usines Renault.

LAZARD FRÈRES & CO.

May 16, 1979

NORTH AMERICAN NEWS

Ford Motor signs diesel pact with **Cummins**

FORD MOTOR and Cummins Engine have signed an interim agreement which could provide Ford with a range of diesel engines for its cars and light trucks if it ahandons the development of its so-called PROCO fuel economy, pctrol driven nnit.

All of the major U.S. motor companies need to install more diesel engines in their passenger vehicles over the next six years so as to meet increasingly stringent Federal fuel economy regulations. But while General Motors has been developing diesel engines of its own, Ford has apent nearly 10 years developing a "programmed comhustion" engine equivalent of the diesel which will show similar fuel savings with fewer emission problems.

But the company bas still to test the feasibility of manufacturing the PROCO engine in large volumes and as a fall-back ment with Cummins for the development of a lightweight. turbo-charged diesel engine.

A major producer of diesel engines for heavyweight trucks, this would be Cummins' first venture in project development of a unit for cars and light trucks. Cummins says that it has been applying its tech-nology to smaller prototype units for several years.

If final agreement is reached, it is expected that the engines would he manufactured under licence by Ford towards the

National opts for Pan Am

By Our New York Correspondent

NATIONAL AIRLINES' shareholders yesterday voted to accept a \$50 a share offer hy Pan American World Airways if the proposed merger receives government approval.

But because Eastern Airlines has also tabled a \$50 a sbare. hid, National's annual meeting also supported proposals for a hidding auction starting at \$50-Aeronautics Board is expected to consider Pan Am's hank later this year. application within the next few weeks following a recommenda-tion hy one of the Board's administrative law judges that It be turned down because it would be anti-competitive, ·

heing considered by a CAB the Texas hank and most of its laler in the summer.

For the six months ended

total of £332,363 (£331,546).

November i 1978

West Ferry, Dundee.

DATED: 15th May, 1979

May 1 1978

Belsize House.

Gross Revenue

Deduct:

Inverest

Expenses Taxacion

THE NORTHERN AMERICAN TRUST

COMPANY LIMITED

Interim Statement (Unaudited)

1,318,197

542,888

including dollar premium per Ordinary, 25p 5hare

A. K. Aitkenhead

An interim dividend of 1.0p on the Ordinary Shares (same as last

year) has been declared payable on 2nd July 1979, absorbing, together

with the half-year's Preference dividend paid on 1st May 1979, a

Valuation of Net Assets

£58,200,061

£53,045,580

£52.517.922

The International Commercial Bank of China

U.S. \$20,000,000 Floating Rate Notes Due 1983

Pursuant to clause 6(b) of the Listing Agreement,

the Annual Report and Accounts for the year ended December 31st 1978 of the International Commercial

Bank of China are available at the office of Cazenove and Co., 12 Tokenhouse Yard, London EC2R 7AN.

THE LONG-TERM CREDIT BANK

OF JAPAN, LTD.

Negotiable Floating Rate U.S. Dollar

Certificates of Deposit

Maturity Date 18th November 1980

In accordance with the provisions of the Certificates of Deposit

notice is hereby given that for the six month interest period

from 21st May 1979 to 21st November 1979 the Certificates will

Agent Bank

Mannfacturers Hanover Limited

carry an Interest Rate of 11%% per annum.

BANKERS TRUST COMPANY, LONDON

775,309 48.777 278,029

Gulf Oil seeks offers for operations in California

GULF OIL Corporation, whose U.S. production of crude oil and gas has been falling in the last 18 months, is inviting offers of not less than \$275m for its California refining and marketing operations.

With rising gasoline prices

and refineries operating at close to maximum output, Gulf's fornia may cause some surprise a day. The Californian opera- further 6 per cent. readiness to pull out of Caliwithin the oil industry. But, according to Gulf, a number of other companies have heen casting covetous eyes on its Santa Fe Springs refinery which has a modest capacity of 51,500 barrels a day and on the 400 owned or leased service stations which go with it.

Californian currently a hothed of discontent because of inadequate gasolene profitable. With its principal therefore, account for

U.S. oil majors. Gulf, has oll supplies will be tight this

Gulf says that its position in has cut the company's supplies market, hy about 100,000 harrels a day. At the same time, however, the Pittshurgh-hased company's supplies, is so small as to make domestic U.S. supplies have its operations there marginally heen falling. In 1978 they fell to 331,000 barrels a day from operations in the Gulf of Mexico 336,000 the year hefore and in and along the east coast, Gulf's the first quarter of this year total refining capacity in tha its production of crude oil and U.S. amounts to 917,000 harrels natural gas liquids fell a

In early March the company ahout 6 per cent of the total.

The smallest of the seven purchasing the general crude subsidiary of International already warned that its crude Paper, hut a preliminary agreement fell through when Mobil year. The change of regime in Oil showed willing to pay \$800m fran and the consequent reduction in oil producer in com-tion in oil production there parison with Gulf's \$650m.

Imperial Oil to sustain growth

and chief executive of Imperial Oil, which is majority owned by Exco Corporation, said that added. although performance for the year should not he judged on gas the basis of first-quarter results, they are indicative that 1979 will be another good year for

mperial.

He told a Canadian energy a positive contribution.

onference in London that at When the plant is operating conference in London that at C\$89m, or 68 cents per share, first-quarter earnings were up about 25 per cent on the corresponding 1978 quarter, due mainly to increased crude oil

and natural gas production.

Production levels for the

crude oil supply situation con- correct in accusing the company tinues to have on the require- of violating Federal Pricing ments for Canadian oil, he Regulations in connection with Gains from increased oil and trol related costs gas production have been partially offset by the \$2.2bn

the appropriate costs and the company's calculations were Syncrude Project startup costs. As the year progressea, Syncrude should begin to make made in atrict accordance with Energy Department rulea." at permitted capacity, Imperial's 31.2 per cent share of pro-

O. L. Luper, senior vice president of Exxon USA, a unit of Exxon Corporation, said the expense. on the effects the international Department of Energy is in-Reuter

duction will be about 40,000

determination of pollution con-He said: "Exxon included only

The controversy concerns whether 1975 and 1976 costs incurred to meet air quality standards could be considered pollution control expenditures barrels per day.

Meanwhile, in Houston Mr. and whether the company could pass through certain types of those costs, such as Labour

Bank shifts London ownership

BY WILLIAM HALL

FIRST International Bancsbares Ltd., one of the more successful of the U.S. merchant banking subsidiariea hased ln London, is to lose some of its independ-

Subject regulatory approvals, the ownership of the hank is heing transferred from Firste International Bancshares Inc to its main operating subsl-dlary, First National Bank in Dallas. In addition, the London lf hoth Eastern and Pan Am branch of First National Bank won government approval. The in Dallas will move into the same premises as the merchant

The mova is designed to improve communications within the group and permit a greater emphasis on Texas-related husiness. Until now, First International Banchshares Ltd has Eastern's case is currently operated at arms-length from ige and a decision is expected | husiness has been generated in the international markets.

1,140,943

592,622

448,321

Net Asset Value

131.lp (129.6p) Joint Managers
W. D. Marr

152.0_P

134.6p

(Fully

Diluted)

(148.9p)

(137.8p)

Although the merchant hank City. Over the past few years will share the same premises as banks such as Bankers Trust the London branch it will retain International, Marine Midland its authorised status, occupy Ltd. and Bank of America separate floors and maintain a separate dealing room. Com- drawn much closer into contact menting on the move, Mr. Steve with their parents. Davis, chief executive of First . Associated Japanese Bank International Bancsbares Ltd., said be had a "personal stake was to lose its independent shipping function and its lending capability at some future

International Ltd. have been

(International), the Londonbased consortium hank, reports In not wanting to be part of an a pre-tax profit of £3.6m (\$7.4m) organisation that is just a for the year to February, 1979, poodle." If the merchant hank compared with the previous was to lose its independent year's £3.1m. Total assets year's £3.1m. Total increased to £458.6m.

The continuing downward date, "it is not for me," said pressure on loan Interest mar-Mr. Davis yeslerday.

First International Bancshares
Ltd. was prohably the last of although pre-tax profits had the really independent U.S. increased, Mr. Gengo Suzuki, merchant banks operating in the the chairman, said in his report.

Sharp rise in Canadian earnings in first quarter

industry increased during the which occurs once every few first quarter of the year by a years. staggering 58.3 per cent compared with the same period last

Statistics Canada reported that industrial companies located in Canada had after-tax profits of C\$ 4.1bn in the first quarter of

The year-to-year gain in the latest quarter was far ahead of the 38.9 per cent increase shown for the first quarter of 1978 and the 28.8 per cent gain recorded for 1978 as a whole. In releasing the statistics, a spokesman for Statistics Canada said this is the largest quarterly increase

in profit levels in five years.

He said an extraordinarily large jump in profits such as this is known by economists as facturing sector.

AFTER-TAX profits of Canadian a "breakthrough," an increase

climbing one set of stalrs and transferred to a second stair-case," be said. The last hreakthrough was in

" It's like industry has finished

the late 1973 and early 1974

The chief contributor to increased industrial profits was the manufacturing sector. That sector as a whole reported a 68 per cent increase in the firstquarter. Total after-tax profit for the first three months of the year in manufacturing waa C\$1.9hn compared to C\$1.1hn

Several industries were notice ably above the rest of the manu-

Arco sees \$1bn profit

chairman, disclosed,
"If we can ride with world

"If we can ride with world prices, our shareholders will do very well indeed," be told bankers at a presentation to mark the listing of Atlantic gress will also pass a windfall

ZURICH — Earnings of decontrol crude oil prices in the Atlantic Richfield Company of Los Angeles will exceed Sibn but not necessarily this year, but not necessarily this year, Mr. Thornton Bradshaw, the chairman diselected end of 1981.

Richfield stock on Swiss stock profits tax, but he said that is

issue

DM100m

EUROBONDS

postponed

Westdeutsche

By Francis Ghilès

THE MONTHLY meeting of the German capital markets Sub-Committee, scheduled for today has heen postponed, amounting to an effective pause in the flow of new Deutsche-Mark foreign The Sub-Committee, issues. which decidea every month on an appropriate volume of new issues will meet again on May

Landeshank has postponed the DM 100m issue which it was to have announced for a Latin American borrower later today. Earlier in the week an expected DM 100m issue for Imperial Chemical Industries was postpooed and those issues which have been brought to the market in recent weeks have all started trading at quite heavy

This weakness in the foreign DM market is a reflection of the poor state of the German domestic bond market and, more fuodamentally, of the rise in German domestic interest rates. The reception afforded to the latest offer of Schuldscheiner notes earlier this week was not good despite the fact the yield offered on the ten year notes was 7.95 per cent. German bankers say that investors are waiting for yields on paper of such maturity to reach the 8 per

cent threshold. The only foreign DM issue currently on offer is the DM 100m seven year issue offering a coupon of 73 per cent for the African Development Bank which is understood to he going

The only borrower in the past six months to have paid a coupon as high as 8 per cent, and on a sbort maturity private placement (four years) is the South African Oil Fund.

More exotic borrowers, particularly from the Third World can expect to pay more than 8 per cent for ten year boods when the new issue market re opens according to German bankers while prime quality names would have to pay as much as 7# per cent. Activity in the secondary DM

foreign bond market has heen very low in recent weeks with a steady erosion in prices. In the dollar sector of the market, the \$50m five-year issue for Occidental, which carries a coupon of 101 per cent has heen priced at 991 to yield 10.45 per

cent. It was trading at 972-3 yesterday.
The \$30m 12-year hond with warrants for Alexander Howden was priced at 99 yesterday with other terms unchanged, an average life of nine years and a coupon of 93 per cent Lead manager is J. Henry Schroder

Wagg. Prices of seasoned issues moved up slightly yesterday in SKr 12 sympathy with the hetter tone in the New York hond market on Wednesday. In the FRN sector the \$40m

FRN for Creditanstalt Bankverein due in 1981 is to he redeemed at par on June 18. The lead manager of that issue is European Banking Company. In the Swiss franc sector, the new Issue for the World Bank got off lo a very good start. The SwFr 100m ten-year issue which carries a coupon of 42 per cent and was priced at par opened yesterday morning at 1001 and closed at 101.

 The amount of outstanding Eurodollar CDs issued by Eurodollar CDs issued by London hanks rose to \$23.1hn in April from \$27.3bn a month earlier. Secondary mar-ket turnover totalled \$4.6bn against \$4bn, according to Bank of England figures.

MEDIUM-TERM **FINANCING**

ASEA sets up Brazil contract A LARGE financing package.

and export credit facilities, is expected to be assembled to support the \$1hn contract just won in Brazil by the Swedish elec-trical concern, ASEA.

ASEA is providing high voltage transmission equipment to the Itaipu joint Brazilian/ Paraguay hydrnelectric project. The contract has been awarded Richfield stock on Swiss stock profits tax, but he said that is state electrical concern.

President Carter's decision to quo for decontrol, Reuter Eletrohras.

BASF confirms recovery

field.

Petro-chemical

BY GUY HAWTIN IN FRANKFURT

of the West German chemicals Hoechst and Bayer, in reporting fedder

quarter of the year were 15.4 per cent un on the comparable performance in 1978. At the same time pre-tax group profits rosc by 48.9 per cent. Even more encouraging for

the group are the first four months sales returns of BASF AG, the parent. These showed turnover up 19 per cent on the 1978 performance—a major advance on the 16 per cent sales growth reported for the first quarter of this year.

was uncertaintly about pros-Professor Seefelder echoed much the chiefa of West Germany's tion.

FIGURES from BASF—the last two other chemicals majors, upwards, said Professor See.

"big three" lo report on 1979's steep price rises in petro steep price rises in petro progress—confirm that the industry is recovering increasingly strongly from last year's recession.

Hoecust and Dayer, in reporting from press; during steep price rises in petro Group press; profits during the opening three months of the chemical base products. While the opening three months of the chemical base products. While the opening three months of the increase of raw malerials were unlikely DM 278m in first quarter 1978, to limit growth, he said, the At the same time, BASF AG's recession. Group sales in the first price increases could damp earnings for the same period down demand in the plastics rose 39.4 per cent from DM 142m to DM 198m.

An important factor in the feedstock price increases had cost the improved profit picture was this proup DM 500m at the Ludwigs-year's bard winter months which group DM 500m at the Ludwigshaven and Antwerp complexes created a high demand for salt haven and Antwerp complexes the land and antwerp complexes to keep roads clear. But also he said. However, despite the capacity utilisation at the effects of price rises, there had group's refineries was now runbeen a powerful incrase in ning at 87 per cent and all were volume production contributing now operating in the black to first quarter's cash sales rise.

Exports are causing the parent concern, despite the high First quarter group sales parent concern, despite the high rose from DM 5.24bn during the growth rate which took overseas comparable months of 1978 to sales as a proportion of total turnover up to 56 per cent Seefelder, the group's chief parent's sales during the same Prices, sald Professor Seefelder, executive warned that there period increased from were unsatisfactory.

overseas sales up 18 per cent to quarter rose for the group by vear. Despite this, he did not rule oul a 1979 annual sales growth of more than 10 per cent.

Despite this, he did not rule oul a 1979 annual sales growth of more than 10 per cent.

Despite this, he did not rule overseas sales up 18 per cent to DM 1.57bn and domestic sales of 0.6 per cent to DM 1.57bn and domestic sa much improved capacity utilisa- parent — an increase of 8 per

Ennia plans further expansion

DM 6.05bn (\$3.17bn). The

DM 2.41hn to DM 2.8bn, with

This had thrust profits

BY CHARLES BATCHELOR IN AMSTERDAM

another company in the U.S. or the UK in the near future as part of its international expansion. It also intends to set up a joint venture with another insurer in another foreign country, the Board announced. Meanwhile the company

expects further profit growth in 1979 although the decline in the rate of inflation means earnings will grow more slowly than in recent years. The nonlife division, which returned to profit last year, is also expected to continue to improve in 1979.

company's annual eccounts confirm that pre-tax profits rose 39 per cent last year

THE DUTCH insurance group, to Fl 67.9m (\$33m) while profit Ennia, plans the acquisition of at the net level was 29 per ceot higher at F1 55.5m. Turnover rose 8 per cent to Fl 1.99bn (\$960m) while the increase in costs was held to 5 per cent. Net profit per share rose 8 per cent to F1 25.96. Ennia proposes raising its dividend to F1 8 per share from

the Fl 7.50 of 1977. Shareholders may opt to take the FI 5 final payment fully in cash or as Fl 1.30 in cash and Fl 0.66 in shares. The 1978 results continued

the improvement of recent years with a significant contribution coming from the sharp recovery of the non-life sector. This showed a profit in Holland after several years of large losses though the return is

"still nusatisfactory." Non-life pre-tax profit was Fl I Im com-pared with a loss of Fl 14.4m. Life business developed satisfactorily and continued to contribute most of the profit. The pre-tax results were 6 per cent higher at F1 58.5m. Non-insurance profits were 1 per cent up at F1 8.3m.

Ennia will have to borrow funds to finance the expansion of its non-insurance activities but no call will be made on the capital market to finance assets generally.

Insurance business carried cut in Holland accounted for 68 per cent of group turnsver last markets are developed ahroad and as non-insurance activities increase

Electrolux steps up earnings forecast

BY VICTOR KAYFETZ IN STOCKHOLM

ELECTROLUX, THE Swedish Canada, too, the general bome appliance, office equipment and machinery manufac-turer, stands "some chance" of exceeding the pre-tax profit of ahout SKr 745m (\$169m) for economic trend has heen favour-1979 forecast two months ago. Mr. Goesta Bystedt, managing

director, predicts sales this year of nearly SKr 14bn (\$3.18bn) or somewhat higher than the figure of just over SKr 13hn foreseen in March. In 1978, Electrolux efficiency measures in Sweden, produced a pre-tax profit of including coordination of older SKr 677m on turnover of units with newly-acquired com-

Mr. Bystedt hased his revised forecast on the fact that group sales during January-April 1979 were about 19 per cent higher than for the same period last year, with newly-acquired subsidiaries accounting for 3-4 per cent. His predictions are spelt out in the annual report.

improvement has been noted for

ahle, which has stimulated demand for the group's products except for house trailer refrigerators, which have been affected hy hesitancy concerning U.S. energy supply. Mr. Bystedt sounded one note of pessimism when he described trade union demands for jobs to

replace all of those lost due to serious obstacle to implementa-tion of the restructuring which is absolutely necessary to hring the Husqvarna group on a sound economic footing."

Due to the SKr 270m in convertible debenture loans floated

during 1978 and the debts of "During the first four months companies acquired during the of the year, a certain economic year, Electrolux experienced a drop in its equity to deht ratio most industries in which the from 32 to 29 per cent. But group works. This is true, good earnings and conversion of among others, of the Nordic the dehentures over the next countries and most countries on few years should restore the continent. In the U.S. and solveney to the 1977 level.

Kleber cuts workforce

BY TERRY DODSWORTH IN PARIS KLEBER - COLOMBES

recently dissolved its alliance with Semperit of Austria, is Workers not made redundant entting its workforce by 500 as at Colombes will be transferred part of a reorganisation plan losses of recent years. The job losses will be mainly confined to the Paris area where

the workforce will go down to 2,500 out of an overall group total of about 9,000. Under the three - year reorganisation strategy, a significant proportion of the manufacturing now carried on in Kleher's Columbes factory will he transferred to Trnyes or Toul.

manufactured at Troyes, while furnish Chrysler with two prolorry tyres and air cylinders for totype emission control systems.

KLEBER - COLOMBES, the services will he regrouped at French tyre company which has Colombes along with aircraft

to other factories in the group. aimed al eliminating the heavy Kleber-Colombes lost FFr46.7m (\$10.9m) in 1977, and FFr 49.6m in the first half of

GM-Chrysler link

The Justice Department has no present intention of challenging Chrysler Corporation's entry inlo a proposed technical ried on in Kleher's Colomhes assistance agreement with General Motors, AP-DJ reports from Washington. The agreement would require GM to tractors and trucks will be pro-duced at Toul. Technical, systema and occasional engineer-administrative and commercial ing consultations

Fibre plant to receive rescue aid

By Paul Betts in Rome

THE ITALIAN caretaker government has agreed to extend immediately some L33hn (\$38.80m) to guarantee the continuity of productive activities at the Fibre Del Tirso synthetic fibres plants at Ottanawell in central Sardinia.

A hanking consortium of leading special credit institutes and commercial hanks is also to he set up to help the financial recovery of the plants jointly panies such as Husqvarna controlled hy ANIC, the state This attitude constitutes a chemical group, and Montefibre, the fibres subsidiary of the Montedison group.

The hasic capital of the hanking consortium is expected to total L60hn. The hanks are to provide about L40hn while the two chemical companies are to contribute L10bn each.

The threatened closure of the Sardinian plants had provoked widespread controversy and sparked trade union protest at a time when all the political parties are campaigning for the June General Elections. The plants employ over 2,500 people in an area of heavy unemploy-

Dutch commodity group in red By Our Financial Staff

THE DUTCH agricultural and commodities group, HVA, bas emerged from 1978 heavily in the red with group losses of FI 10.9m (\$5.2m) compared to a half-time deficit of FI 4m. The company will not pay a dividend for the year.

HVA's losaes largely from a worsening trading picture in commodities. For 1977 as a whole the company returned a net profit of Fi 0.8m. However, the outlook for 1979 is improving with the company looking forward to a recovery at its sugar project in Africa. This factory is expected to reopen in December.

Damage claims hamper underwriting at Swiss General

BY JOHN WICKS IN ZURICH

NET PROFITS of Switzerland net premiums by 4.4 per cent increased depreciations. to SwFr 237.8m.

Underwriting results were less Underwriting results were less unfavourable translation of offered by the Argentine satisfactory than in the previous local sales into Swiss francs for government to CIAE shareyear in direct business, due partially to large claims for elementary damage, but capital

NO DIVIDEND is to be distrihuted for 1978 by Gardisette Holding, the Lucerne-based parent company of the Gardisette soft furnishings group, following a drop in net profits from SwFr 4.11m to SwFr 0.34m during the year ended on March 31 this year.

General Insurance Company fell by the foreign-exchange situa- hetween the Argentine comby 7.5 per cent last year to tion and continuing sluggish in gross premium income of 0.9 olso affected by a 40 per cent per cent to SwFr 316m and in rise in capital expenditure and

calendar 1978 by the opening of new production capacity at South Carolina in the U.S.

COMPENSATION for Swiss Federal bonds. Amortisation shareholders of the Argentine will take place in four, six, company Italo-Argentina de eight and ten years. Electricidad (CIAE) has been

pany and the three banks. Switzerland and Swiss Bank Corporation. The first agreement lays A MAJORITY shareholding in NEW Reinsuranca Company

bolders as partial compenconsolidation purposes, group bolders as partial compen-turnover fell hy some 22 per sation for the takeover of the cent from SwFr 142m to SwFr company by the authorities. earnings went up 13.1 per cent 111m. Operations were ex. These honds, which total to SwFr 20.7m.

panded towards the end of SwFr 185m, will be offered at the end of next month and subsequently listed on Swiss Stock Exchanges. They are equipped with a variable coupon 1 per cent above the January yield of

> second made possible by the signing of governs the issue of SwFr 35m

ing hank.

Gardisette was affected both two agreements in Zurich worth of medium term notes, alpina ahow it as having a capi- distribute SwFr 300,000 in form by the foreign-exchange situa- hetween the Argentine com- This private placement is linked tall of SwFr 14m and a 1976 of dividend. tal of SwFr 14m and a 1976 of dividend. to the redemption on May 26 balance sheet total SwFr 3.7m (\$2.15m) after a rise market conditions. Profils were Credit Suisse, Union Bank of Of CIAE ronvertible issues of SwFr 124m. The Lugano bank the same sum. has a branch in Agno.

> the Basie bank in the recently generally better than for the completed new building of previous year, particularly in Banca Prealpina, while the non-European businesa, while holding

Latest details on Banca Pre- and the Swiss Volkshank, is to takings.

ATELIERS des Charmilles announces an operational and financial link with the German Last year, due mainly to the down conditions for the bonds Banca Prealpina has been records net profits for 1978 of field of beating equipment. The Banca Prealpina has heen records net profits for 1978 of acquired by Swiss Bank Corporaswfr 2.3m, following a rise in agreement, between the Cuenodgross turnover by 4.2 per cent division of the Swiss concern
gross turnover by 4.2 per cent division of the Swiss concern
gross turnover by 4.2 per cent division of the Swiss concern
groupement Bancaire in cent of all business was passed division of Kloeckner, will lead to the creation of what is
ficates (non-voting shares) of Although costs rose rather claimed will he a leading force SBC. The transaction is seen as faster than premium income, in the European market for providing accommodation for the underwriting results were these products. The German company is to

acquire a 50 per cent stake in Luxemhourg undertaking would be able to mainlain its participation in the Swiss banking sectors and the sectors are supported by the sectors and the sectors are supported by the sectors are pation in the Swiss banking sector with an investment in a leading hank.

Latest descriptions of the Helvetia and Schweizerische Mobiliar Insurance descriptions of the Helvetia and Schweizerische Mobiliar Insurance descriptions will also be a section of the Helvetia and Schweizerische Mobiliar Insurance descriptions of the Helvetia and Schweizerische Mobiliar Insurance descriptions of the Helvetia and Schweizerische Mobiliar Insurance descriptions of the Helvetia and Schweizerische Mobiliar Insurance description of the Helvetia and ische Mohiliar Insurance groups between the two parent under-



TOKYO CDs

Foreign

cautious as

By Richard C. Harson in Tokyo

of the Japanese commercial

and trust banks in the Issuing

of yen Certificates of Deposit, which opened this week, con-

trasis sharply with the cautious approach adopted hy

Costomer demand for the negotiable three and six

month deposits, to some cases

has greatly exceeded the individual bank cellings on

CDs issued by the Ministry of

The CDs have a minimum amount of Y500m (equivalent to \$2.3m), and in the first

stage, up to end-Inne, the

Japanese hanks are limited to taking in 10 per cent of their

net worth against cerlificates. By March, 1980, this will rise

The foreign banks are limited to a celling of in per-cent of their yen loans ont-

The rates on the CDs so far

have ranged from 5.1 per cent to 5.4 per cent for three

months and from 5.5 per cent

on six months, with soore

negotiations going on for CDs up to 5.75 ner cent. For the foreign hanks this repre-

sents a savtog on the raising

of funds. For example, on the

hills discount market a three

months bill ts around 5.75 per

Some of the Japanese hanks

have restrained themselves in

issning CDs hecause of more

favourable rates for taking in

funds in the Gensaki (or bond repurchase agreement)

market. The CD market, if a

sufficiently ficxible secondary

market can be developed, will

cut into the importance of the

Gensaki market which cur-

rently involves more than Y4,000bn in funds, Foreigners

have access to Gensaki, but

the market in their case ts

erally cautious approach hy

the foreigners so for-major U.S. and a handful of European banks have been issuing on a small scale to

elected customers—is simply

that there is presently little need for employable yen

funds. Loan demand though

showing signs of improve-

ment; is still fairly weak.

There are also more favourable rates available for

replacing more expensive

The Japanese hanks are

thought in some cases to be requiring balances of eurrenl deposits linked to issues of

certificates to customers.

although this would be officially frowned upon. This

would tend to explain the difference between a Japanese hank issuing at 5.3

per cent or 5.4 per cent for

three months, while a German bank dealt at 5.1 per cent. At present, the foreign:

issue CDs to their home offices or branches overseas.

This would moderate the im-

pact of their officially set ilmits on swapping to funds

to create operating yen halances, and could be a way

of avolding the withholding tax which is applicable on

The introduction of the CDs is being viewed as a fairly significant achievement

for the foreign and com-merctal hanks who had to

overcome the opposition of long-term credit banks.

Nippon Shinpan By Our Financial Staff NIPPON SHINPAN, the major

cern, expects net income for the corrent year to rise by 36 per cent to Y3.9hn (\$18m), from Y3.0hn. In the 12 months to March. 1978, Mr. T.

Koizumi, the president, said

in London.
This matches the rise last

year in percentage terms,

while sales are expected broadly to equal the 30.9 per

cent therease in 1977-78, to reach Y600.9hn (\$2.8hn),

Recurring profit is esti-mated to rise by 22.3 per cent

egainst Y462.2hn,

to Y8.8bn.

Gain seen at

are not allowed to

The reason for the gen-

less stable.

funds.

hanks

the CDs.

to 25 per cent.

foreign hanks in Tokyo.

Japanese

go ahead

banks

French cement group sees continued improvement

BY DAVID WHITE IN PARIS

FRENCH - BASED cement group is counting on oversess markets to see it through a new growth period, in spite of expectations that the French market will stagnate .; over the next few years.

M. Olivier Lecerf, the chairman, fold journalists that he foresaw a market increase in earnings this year after a recovery in 1978 which left consolidated net profit 38 per cent up at FFr 220m (\$50m).

Bad weather which hit the French construction market at the beginning of the year meant that results so far were hehlnd schedule, hut they were still hetter than a year ago. Consolidated turnover edged np by 3.5 per cent last year to FFr 6.54hn. The percentage of exports moved up from 11 per cent to 12.5 per cent and is expected to increase further.

M. Lecerf said the improvement was aided by the French Covernment's decision last summer to start scrapping price controls and by stock market incentives which contributed to a successful 20 per cent capital increase in October.

The parent company's two principal subsidiaries—Ciments Lafarge France and the 54 per cent-controlled Ciment Canada Lafarge—both had record results. The French offshoot increased its net profit by 74 per cent to FFr 76m, thanks partly to lower depreciation. The Canadian company, which boosted its exports by more than half, reported an 18 per cent earnings growth C826.5m.

Two of Lafarge'o problematic non-cement interests. Carbonisation Entreprise et Ceramique and the Allia Donlton sanitary

ware group, staged recoveries last year, with the former moving into profit and the latter halving its loss to FFr 7m. Further improvement is expected this year.

Investments are scheduled to increase by 11 per cent after a 25 per cent hoost last year from the 1977 total of FFr 423m. Company officials said spending in France would be concentrated on 10 or 12 of the group's 21 cement plants, while some of the remainder would be phased

The French market is expected to remain stable at its current annual level of 27m tonnes up to 1984. However, the world market was likely to expand from 800m tonneo to 1.2hn tonnes in 1990, and 90 per cent of the extra consumption would come from outside the Western industrialised coun-

LUFTHANSA, the West German 'airline, is confident that it can repeal the high profit growth of -relatively low passenger fares could severely hit the company's

hert Culmann, the Lufthansa chairman who announced that the airline's net profit last year DM 53.1m against 53.8m. Altributable its after special depreprofits after special depre-ciations of DM 75.6m against 1977's DM 42.4m and a transfer of DM 500,000 into free reserves totalled DM 42m against the pre-

The special depreciations sum will contribute towards the renovation of certain branches of the airline's passenger flect. Lufthaosa now has on order 32 Boeing 737 City jets, one Airhus A-300 and 25 Airbus A-310s as well as holding options on over

This beavy commitment to

Sayer Int. F. XW. 74, 89 200
CECA 94, 84-95 90
CECA 94, 84-95 90
CECA 94, 84-95 90
Canada 94, 88 95
Comalco Inv. E. 102, 91 40
Oow Chem. 0/5 93, 94 200
Ela 94, 98 125
Ela 94, 98 150
Ela 94, 98 150
Ela 97, 99 100
Export Dv. Con. 9, 85 84 150
Export Dv. Con. 9, 85 84 150
Export Dv. Con. 9, 85 84 150
Export Dv. Con. 9, 85 85
Export Inv. Con. 9, 85 100
GTE Fin. 91, 84 50
Gould Int. Fin. 94, 85 50
Mosoital 0/S 8 83 25
Hudson Bay Co. 10 94 50
Hot Financa 94, 90 30
Ital Finenca 104, 93 40
ITT Antilles 97, 88 75
J. C. Pennay 89, 83 100
Meoitobs 91, 89 75
New Brunswick 92, 94 75
New Brunswick 92, 94 50
Norsk Hvdro 97, 94 50
Portland 10 84 50
Norsk Hvdro 97, 94 50
Swedon 97, 89 100

DEUTSCHE MARK BTRAIGHTS

DM 408m rights issue which will' belp to finance the planned investment. As reported yesternew shares in a ratio of 2:1

There has been some disquiel airline—that Lufthensa

The Board has proposed a 7 per cent dividend, against 6 per cent in 1977, which would give both common and preference shareholders DM 3.50 on a DM 50 share. The majority shareholder is the Federal The majority Government which holds over

Dr. Culmann outlined two

FT INTERNATIONAL BOND SERVICE

. The list shows the 200 latest international bond issues for which an adequate secondary market

exists. For further details of these or other honds see the complete list of Eurohond prices published on the second Monday of each month.

Closing prices oo May 17

prices had risen by more than 40 per cent and the severe shortage of fuel had also hit Lufthansa. There was point in winning additional landing rights In U.S. cities, he said, if there was not sufficient fuel available

effect this month, fares were still artificially low, Dr. Culmann said. This was aggravated by price cutting on some U.S. and Australian routes. Nonetheless, the first quarter of 1979 looked distinctly promising, helped hy a rapid increase in passenger sales, which dropped sharply io 1977 and the beginning of 1978, partly hecause of terrorist

This was evidently no longer factor and volume sales

pany's future profitability: rising fuel costs and depressed passenger fares. In the first four months of this year, air fuel

for regular flighto.

should keep profit levels high.

Bond makes plea to Santos holders

BY JAMES FORTH IN SYDNEY

MR. ALAN BOND, a Western which Santos is the majnr Australian husinessman, is partner and operator, attempting to put public pressure upon the South Australian Bond Corporation 150 per centl Slate Government to persuade Endeavour Resources 130 per it to drop a proposal to limit cent), Dallhuld Investments 110 individual shareholdings in per cent), Amalgamated In-Santos, the oil exploration com- dustries (5 per ceot) and paor, to a maximum of 15 per Leighlon Mining (a per cent). cent of the capital. Since the Bond Group

and major shareholder, last year has been re-named Bond Mining Exploration) which held a 37.5 per cent shareholding in Santos, 36.96 per cent of Reef Oil and 30.86 per cent of Basin Oil.

All three companies are members of the Cooper Basin Gas and Liquids consortium. which supplies Sydney and

BY JIM JONES IN JOHANNESBURG

reported a rise in pre-tax profit

of 6.6. per cent to R7.98m

(\$9.4m) for the first half of the

figancial year, from R7.49m in the six months to March, 1978.

formerly Dorman Long Vander-

British Steel has a minority

interest through its 35 per cent

stake in International Pipe and

(IPSA) has yet to see a major

the country's economic recovery.

No detalls are given of turnover.

through the year, but the board

that the dividend can be at least

Profits do not accrue evenly

Corporation; in which

The Bond Group comprised

cent of the capital.

A group of five companies obtained a Santos stake. Mr. headed by Bund Corporation, uf

Bond is known to bave made which Mr. Bond is the chairman overtures in lift the stake in at least 51 per cent of Santos and major snaremoner, last year at least of per cent of Samos, hought a 37.5 per cent equity in snd to merge Basin Oil and Reef Santos, from Burmah oil of the Oil into Santos. Late last UK. The group purchased a Burmah subsidiary. Burmah Government announced that it intended to limit holdings and the beau remained Band Winner states. voting rights in Santos to a that the Bond Group would heve to divest its additional holdings.

This brought widespread criticism from a number of sources, including Mr. Fraser, the Prime Minister, industry groups and the stock exchanges. The South Adelaíde with natural gas in Australian Government sald

In the structural steel sector

particularly, the market remains

highly competitive, meaning thet

low-profit pricing needs to he

cent tax rate, against 43.4 per

cent, first-half earnings per share rose to 62.4 cents from 50.6 cents. Last year's second-

ings of 65.8 cents. And with

viding more than half of the

year's earnings there should be

little difficulty in the hoard's

improved earnings forecast

declared, putting the share at

Helped by a lower 31.5 per

tive proposals from the Bond enacted Group, but talks have broken down and the South Australian Government has now recalled Parltament to sit on May 24 to consider legislation on Santos.

The Bond Group responded extraordinary meeting of Santos tors. shareholders to seek the support other shareholders in its fight with the State Government. The requisition was called by Bond Mining Exploration which seeks a motion from Santos shareholders condemning the

action of the South Australian

Government as " contrary to the interests of all shareholders." Bond Mining also wants a motion passed calling on Santos to do "all such acts and things as are necessary or desirable to deter the SA Government from taking its proposed course of action. But, the extra-ordinary meeting will not be held until June 8, hy which their attitude.

that it would consider alterns time legislation may have been

Mr. Bond yesterday criticised other Santos directors for what the claimed was a "deliherate delay" in calling the meeting. He said there had always been a split in the Board between yesterday by requisitioning an the Bond and non-Bond direc-

The SA Minister for Mines and Energy Mr. Hudson, revealed yesterday that the Government had proposed a merger of Santoa, Basin and Reef and for shares to he placed with a "major national com-pany" and South Australian Oil and Gas ISAOG), which is owned by the State Govern-ment and the State gas distri-

SAOG has an 18 per cent interest in the Cooper Basin. If Bond Mining persists with the extraordinary meeting it will force the non-Bond directors on the Santos Board to disclose

Lufthansa hopeful on growth

1978 hut gives o warning that day, shareholders will be offered and escalating energy costs from June 6. This was the view of Dr. Her-

vious year's DM 36m.

ficel renewal also prompted a principal dangers to the com- Dr. Culmann said.

__ Issued Bid Offer day week Yield

Issued Bid Offer day week Yield

Avca 0/5 Cap. 104 87 40 577 978 +04 0 10.76 Bayer Int, F. XW. 74 89 200 834 834 0 +04 8.25

among private shareholderswho control 17 per cent of the ploughing too much money back into the company and restricting dividend increases. Dr. Culmann, however, stressed that high investment was needed if the airline was to stay competitive and that dividend increases would always reflect the company's prosperity.

74 per cent.

Despite price rises due to lake threats against the company.

d Issues for which an adequate secondary market see the complete list of Eurohond prices published Closing prices on May 17 Change on Strange on Closing prices on May 17 Change on Closing prices on Closing pri

FLOATING RATE

NOTES

Arab Intl. Bank M6,5 83 04 954 974 31/7 11,44 11,78

BFG Fm. Co. M5,5 83 04 954 974 31/7 11,44 11,78

Benc di Rome M0 87 04 954 984 25/10 11.19 11,35

Beo. El Selvodor M8 83 14 954 984 22/10 124 12,78

Benco Urquijo 2 86 ... 04 977 984 21/8 114 11,72

Benk di Tokyo M5, 33 04 994 984 12/10 114 11,72

Benk di Tokyo M5, 33 04 994 984 12/10 114 11,72

Benk di Tokyo M5, 33 04 994 985 12/10 114 11,72

Benk di Tokyo M5, 33 04 997 985 12/10 114 11,72

Benk di Tokyo M5, 33 04 997 985 12/10 114 11,72

Benk di Tokyo M5, 33 04 997 987 2/11 117 12,20

Benk di Tokyo M5, 33 04 997 987 2/11 117 12,20

Benk di Tokyo M5, 33 04 997 987 2/11 117 12,20

Benk di Tokyo M5, 33 04 997 987 2/11 117 12,20

Benk di Tokyo M5, 33 04 998 987 12/7 12 12,02

Benk di Rome M5, 35 04 998 997 2/7/7 11,73 11,81

Cilleorp O/S Fin. 8 94 09 984 1004 824 11,00 11,86

Ind. Bk. Japan M5, 35 04 998 997 2/7/7 11,73 11,81

Cilleorp O/S Fin. 8 94 998 1004 824 11,00 11,86

Ind. Bk. Japan M5, 35 04 998 998 1007 1/6 12,35 12,38

OK2 M5, 83 ... 04 999 997 2/7/7 12, 12,33

OK2 M5, 83 ... 04 999 997 2/7/7 12, 12,33

OK2 M5, 83 ... 04 999 997 2/4/7 12,00 12,18

Privredns Banks M2 86 07 999 997 2/7/7 12, 12, 12, 33

OK2 M5, 83 ... 04 999 997 2/7/7 12, 12, 12, 33

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OK2 M5, 83 ... 04 999 997 2/7/7 12, 12, 12, 33

OK2 M5, 83 ... 04 999 997 2/7/7 12, 12, 12, 34

OK3 M5, 83 ... 04 999 997 2/7/7 12, 12, 12, 34

OK3 M5, 83 ... 04 997 997 997 11/1 11, 11, 15

CONVERTIBLE

Criv. Criv.

FLOATING RATE .

Kaiser Aluminum allowed to sell Hindalco stake

Dorbyl shows slight

DORBYL, THE South African has improved, though short-term

heavy engineering group, has orders are still required to fill

Steel Investments South Africa half resulted in per share earn-

profit improvement arising from, the second-half normalty pro-

forecasts that group earnings being met, Last year a 2.t times will increase on 1977-78, and covered 55 cents dividend was

maiotained. On trading condi- its current price in Johannes

tions, the hoard reports that the durg of 710 cents on a 7.7 per group's lung-term order hook cent historic yield.

surplus capacity.

half year advance

This means that the company adopted in lendering.

BY K. R. SHARMA IN NEW DELHI

THE INDIAN CABINET has not being allowed to buy any of this week made its decision to the shares and this is thought U.S., to sell its entire sharehold. George Fernandes, of the lng, of 27 per cent, in Ministry of Industry, who is Hindustan Aluminium Company seeking nationalisation of the (Hindalco). With this, the Birla-controlled enterprise will become fully Indian-owned. The Cabinet move runs against the

The Cabinet has allowed Kalser to sell 2.68m shares of

the nominal value of Rs 10 each to public financial institutions and hanks at a premium of Rs 10. Of the remaining shares held by Kalser, 1m will he sold to the public and 100,000 shares to employees of Hindalco. Existing shareholders are thus

allow Kaiser Aluminum, of the to he due to pressure by Mr. Kaiser wanted to sell its

shares at a price of Rs 27 each, wishes of Birla, and comes as Rs 7 less. The company will pressure is being exerted on the also not seek any. dividend Government to nationalise declared by Hindalco for 1978. The present equity capital of Hindalco is Rs 100.4m, of which Birla holds 26 per cent, and

financial institutions 25 per cent, while the rest is beld by the public,

With the sale of Kalser shares lo public financial institutions, the shares there will rise to 30 per cent and the public's from 32 per cent to 40 per cent.

Roplas India public issue

ROPLAS INDIA is to enter the forced plastic products.

capital market on May 31 with a public issue of 56.764 equity capital base. Set up by Mahindra and

Mahindrs, of Bombay, in 1966, following year.
in collaboration with Rubery
Owen of the UK, the company public issue will be used as manufactures fibreglass rein-

Roplas India's turgover has increased from Rs 3.73m in 1977 shares of Rs 10 each at a 10 Rs 14.5m (\$1.79m) in 1978. premium of Rs 2.50 per share, with the gross profit going up This is aimed at widening the from Rs 487,000 to Rs 2.2m. The share capital ownership, as well company paid a total dividend as at strengthening the equity of 25 per cent in 1977, and has already declared an interim dividend of 15 per cent for the

working capital.

General Mortgage growth

THE GENERAL Mortgage Bank. israel's veteran mortgage institution owned by Bank Leumi, has achieved a 64.1 per cent increase in net profit for to 184,821m. The hank's 1978 to If111.6m (\$4.85m] for halance sheet total increased by than the rate of increase in the cost-of-living Index. The bank is paying unchanged dividends of cent bonus shares.

The number of ectual loans granted by the hank rose by 1.9 per cent to 52,667, but the sums -about 15 per cent more 29.3 per cent to I£9,136m.

The hank intends to increase its capital by the flotation of 18 per cent cash and 40 per dehentures to a nominal value of L£200m.

MALAYSIAN NEWS

Shell to build second platformer

BY WONG SULONG IN KUALA LUMPUR

ing 75m ringgit (U.S.\$33.2m). Applications for the expansion

have been submitted to the Malaysian authorities and the plant would help the refinery at Port Dickson to altain its capacity of 90,000 barrels per

naphtha to platformate, a material with a high octane number used for premium molor gasoline and which the company has to impurt in increasing

On the past year's performance, Mr. H. J. Derniter, chair-

paid up capital, net profit after tax per unil stock was 25.3 cents and dividends of 17.5 cents for 1978 compared with 10.9 cents and 12.5 cents respectively for

recovery from the drought and respectively. better commodity prices.

from 915,000 ringgit to

much higher. Rubher recorded more moderate increases.

During the period, Batu Kawan obtained an increase of TWO RUBBER companies 20 per cent and 25 per cent for under the control of Malaysian its rubber and palm oil products rubber tycoon, Senator Lee Loy respectively, while Duff Seng, have reported a sharp rise obtained price increases of 21 in inlerim profits following their per cent and 15 per cent

Batu Kawan is giving a 5 per

Aid for Japanese savings bank TOKYO-An emergency loan a deficit of Y2.2hn for the year

of Y30bn (\$140m) is to be extended to the Tarko Sogo Bank by the Association of Mutual Financing Banks, the associatioo announced. The advance will he made by invoking a mutual guarantee agreement of 71 mutual financing banks.

Under the agreement, con-cluded in 1955, the mutual financing banks have accumulated a fund of Y54hn for emergency use, out of which the funds for the Taiko Sogo will come. The Taiko Sogo Bank had Reuter

to March. The terms of the loan to the hank, hased in Nagaoka City. Niigala Projecture in northern Japan, wil be worked out later. but the interest rate will probably be lower than the market

Last week, the Bank of Japan said that the Taiko Sogo Bank will also he given support under form of emergency loans from five major city and long-term credit hanks.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and

In many cases, of course, there is help from a pension. But there is a limit to what any Government

Department can do.
This is where Army Benevolence steps in. With understanding. With a sense of urgency . . . and with practical, financial help.

To us it is a privilege to belp [hese brave men—and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SP



Tokyo Pacific Holdings N.V. Tokyo Pacific Holdings (Seaboard) N.V.

The Quarterly Report as of 31st March 1979 has been published and may be obtained from:

Plerson, Heldring & Plerson N.V. Herengracht 214, Amsterdam

National Westminster Bank Limited Stock Office Services, 5th Floor, Drapers Gardena

12 Throgmorton Avenue, London EC2P 2ES N. M. Rethachild & Sons Limited New Court, St. Swithin's Lane, London E.G.4

21 Rue Laffitte, Paris 9

Merrill Lynch International & Co. all European offices

Sal. Oppenhelm jr. & cie. Unter Sachsenhausen 4, 5 Köin

Trinkaus & Burkhardt

Königsatlee 17, Oüsseidorf 1 Banque de Paris et des Pays-Bas

3 rue d'Antin, Parle 2 Boulevard Emile Jacqmain 162. Banque de Paris et des Pays-Bas

pour le Grand-Duché de Luxembourg 16a Boulevard Royal, Luxembourg

Royal Exchange Building 56 Pitt Street, Sydney N.S.W. 2000

Notice of Prepayment



CREDITANSTALT-BANKVEREIN

U.S. \$40,000,000 Finating Rate Nates 1981

Notice is hereby given pursuant to Condition 4(b) of the terms and conditions of the above-mentioned Notes that the Bank will redeem all of the Notes at their principal amount on the interest payment date falling in June 1979 (which is expected to be . 18th June, 1979).

18th May, 1979

EUROPEAN AMERICAN **BANK & TRUST COMPANY**

CREDITANSTALT -- BANKVEREIN U.S.\$40,000.000 Floating Rate Notes 1984

Notice is given pursuant to conditions 3 (d) of the terms and conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 21st May. 1979, to 21st November, 1979, is at the annual rate of 11} per cent. The U.S. Dollar amount to which the holders of Coupon No. 5 will be entitled on duly presenting the same for payment on 21st November. 1979, will be U.S. Dollars 57.50, subject to such smeedments thereto made by European-American Bank & Trust Company as Principal Paying Agent (or appropriate alternative arrangements hy way of adjustment made by the Principal Paying Agent, with the consent of Lloyds Bank Limited as Trustee) without further notice, in the event of an extension or shortening of the above-mentioned Interest Period.

EUROPEAN BANKING COMPANY LIMITED 18th May, 1979 (Agent Bank)

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Corohill, London, EC3V 3PB. Tel.: 01-823 6314. Index Guide as at May 17, 1979

Capital Fixed Interest Portfolio Income Fixed Interest Portfolio 104.45

| DEUTSCHE MARK | Date | Deutsche | Deutsche

BWISS FRANC

STRAINHTS

Acasa 51, 88 40

Amer. Exp. Int. 32, 93 40

Asian Oev. Bank 32, 94 100

Austria 39, 93 100

Austria 39, 89 250

Brazil 40, 88 100

Canede 34, 89 300

Chass Manhattan 4, 93 70

Council of Europs 44 100

Banksmerics 32, 83 90

BNIE 5 89 75

Ocnmark 41, 90 100

Euretom 42, 93 80

F. L. Smidth 42, 89 25

Fioland 41, 93 80

Heron 44, 89 35

Ici Fin. NV 32, 84 230

Change on Issued Bid Offer day wask Yield

864, 873, +04, +04, 7.72 931, 942, -04, +04, 7.37 911, 921, -04, -04, 7.85 924, 935, 0 +04, 7.52 921, 932, 0 0 3.07

Asian Osv. 2ank 54 88 15 Australia 5-5 83 20 Finland 5-6 83 10 Finland 5-8 83 10

Malayeis 4½ 90 New Zoaland 3½ 94 0 k8 3½ 93 YEN STRAIGHTS

Change on day week Yield calculation of the control of the co lasued Bid Offer 0 -04 4.82 -04 +04 4.00 -04 +14 4.72 -04 +14 4.72 -04 +04 4.79 0 -04 4.63 -04 +04 4.79 0 +14 4.70

*No Information evailable—previous day's price.
† Only one market maker amplied a price.
† Only one market maker amplied a price.
† Only one market maker amplied a price.
Straight Bonda: The yield is the yield to redemotion of the mid-price; the amount issued is in millions of currency units except for Yan bonds where it is in billions.
Change on week = Change over orice a week serier.
Floating Rate Notes: Oenominated in dollars unless otherwise indicated M=Minimum coupon. C. dis= Oata next coupon becomes affective. Strated = Marcin above six-month offered rate for U.S. dollars. C.con=The current coupon. C. vid = The current vield.
Convertible bonds: Oenominated in dollars unless otherwise indicated. Cho. dnx = Chenge on day. Cnv. data = First date for convarsion into shares. Cnv. price = Nomine1 amount of bond per share sannéssed in currence of share ar conversion rate find at lesus. Pram = Percentsoe oremium of the current effective orice of acquiring shares via the bond over the most recent

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SHELL REFINING BERHAD, signing of a more remunerative February rose sharply from which recorded a sharp rise in oil supply contract with the 6.1m to 10.9m ringgit after-tax profits of 15.2m Nauonal Electricity Board, (U.S.84.9m), while pre-tax ringgit last year, is planning to better resoing and sale levels profits of Duff Development rose build a second platformer cost- and more income from fees for

day. The platformer would upgrade

quantities.

refining for third parties. Calculated on its 60m ringgit

2.9m ringgit, In both cases, there were sig-nificant increases in palm oil output, while yields were also

man, said the company had a Pre-lax profits of Batu Kawan cent interim dividend, while good year, parily due to the for the six months ended Duff is declaring 2.25 per cent.

Dow picks up 5.5 in fairly active early trade

Germany

Pan CanPetrol M 40: 48L
Petine 04 125½
Place Cas & Oil. 2.54 2.50
Placer Dayelop 22: 22½
Powor C poral n 27: 27¾
QuebasSiurgeon 22: 22⅓
Roed 22enhouse 0½ 9¼
Rio Algom 52 32
Royal Bx. ef Gan. 40¼ 40½
Royal Trual co... 16¼ 16¼ 16%

CANADA

PREMIUM

\$2.60 to £1—551% (55%) Effective \$2.0560 23% (221%).

ment of 5.55 at 834.03 at 1 pm. The NYSE All Common Index reocvered 38 ceots to \$55.76,

Closing prices 2nd market reports were not available for this edition.

while rises outpaced declines by hetter than a two-to-one ratio. Turnover expanded to 20.05m shares from Wednesday's 1 pm.

Michael Metz, of Oppeoheimer and Company said sentiment was aided by news on Wednesday that housing starts and to start December.
industrial productino decliped in April. "It looks like, all of a sudden, that the imminent-slowdown-in-growth school is gaining credeoce," he said.

NEW YORK

Asamora Oil 131

traded 2t \$11. RCA; in 2ecood Houston Oil 1; to \$18; and place, put on 1 to \$25. A block of Robintech 1; to \$11; 187,000 shares were moved at

HELPED IN part by some signs
of economic slowing, Wall Street
made 5 more determined effort
to rally yeaterday morning in American World Airways or Iairly active trading.
The Dow Jones Industrial
Average recorded an improvement of 5.55 at 224.02 at 1 pm.

Woolworth advanced 11 to \$271.

A suit was started yesterday by Brascan seekiog to block Edper Equities from interfering with Brascan's plons to buy Woolworth Brascan, sought by Edper in a separati bid, rose 1 to \$191, on the American SE.

A number of Clambur and Blue

A number of Glamour and Blue Chip issues added fractions, in-cluding IBM. Eastman Kodak, Polaroid. General Motors and Telephone, MC1 American Communication's suit egainst Americao Telephone's domioation of the long-distance husiness

telephone market was scheduled to start oext December.

G.A.F. 105g 105g Cannett 415g 415g Gali 2 25 255g Ca Amer, Inv. 103g 103g G. 4.T.X. 273g 271g Gen, Capies 123g 123g

Gen. Tiro

Hosp-Core, Amer 27

Nouston Nail, Gas 26 in Hunt IPh. Ai Chm 135 a Hunt IPh. Ai Chm 135 a Hunt IPh. Ai Chm 135 a Hunt IPh. Ai Chm 25 in Ingersoil Rand 485 injend Steel ... 35 a Insilco ... 12 x

306.8 505.5 308.8 2014 27 36.3 44 in 44 20 is 20 in 19:3 19:3 10:2 45:1 43:2 12:4 12 12:4 12 29:8 30

McDonnell Doug. 27.8 271s
McGraw Hill. 25 251s
Msrock 254s 644.
Msrrok 254s 644.
Merrill Lynch 181s 171s
Mass Petrolsum 41s 41s
MGM 21 21 31s
MGM 21 321s
Mobil Coron 74 72.5
Monsanto 4712 4712
Morgan J. P. 42 461s
Mctorole 4214 4214
Murphy Oil 40 48
Hational Gun 183s 1214

Hat, Distillars..... 22 lg : 22 Net, Service Ind..: 1656 : 163a National Steel.... 327g : 221g Notomas 4036 : 403a

Canada

2fter recent strength.

Gulf Canada put on 1 to C346.
The company is a member of a consortum which has made a major gas discovery in the constant of the const

Harlequen Enterprises edded 21 C\$14? oo incresed firstquarter earnings. . .

Tokyo Following the market's recent good performance, stock prices retreated over a broad front yesterday, unscilled by the imposition of new margio trad-

April. "It looks like, all of a sudden, that the imminent-slowdown-in-growth school is gaining credeoce," he said raising hopes that the Federal Reserve will not feel the need to tighten credit further at present.

Simplicity Pattern topped the approved for use in a school is present.

A block of 197,400 shares were

Value index moved ahead 1.59 imposition of new margio trad-decision after its regular meeting controls.

The Nikkei-Dow Jooes Average receded 54.26 from Wednesday's record closing peak to finish at 6.287.00, while the proving sharply higher first-distribution of new margio trad-decision after its regular meeting controls.

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Royal Dutch...... 60

Sea Contsiners... 16 1634 Beagram ... 317 318 1316 Zearle (G.D.) ... 154 154 Sezra Roebusk... 12 1918 SEDCO ... 247a 2618 Zholl Oll ... 5214 13274

Union Carbide.... 3612 Union Commerce 1014 Union Oil Callt... 66 Usion Pacifie... 63

Werner-Commn. 5312
Werner-Lambert 2212
Waste-Men'ment 2932
Wolls-Fergo ... 2812
Wastem Bancero 2652
Westem N.Amer. 5116
Westem Union 17
Westing he Elec. 1614
Whitelpool. 29
While Con. Ind. 26

Recently selected Shippings, GHH and KHD each lost DM 1. ccots apiece to HK4.475 and Shipbuildings, Motors, and Light in Stores, Kauthof receded HK87.30 respectively, while and Heavy Electricals led the DM 3.50 and Neckerman DM 2. Cheung Kong rose 30 cents to fall. Toyota Motor lost Y10 to Dresduer Bank declined DM 3. HK87.70 and Son Hung Kal Y815. Sony Y20 to Y2.030, while BMW dipped DM 1. but Properties 20 cents to HK89.70 Properties 20 cents to HK89.70 Daimler Benz gained DM 1. Hong Kong Bank put on 10 Daimler Benz gained DM 1.

Pioneer Electronic Y60 to Y2.130. Daimler Benz gained DM 1. Hong Kong Bank put of 10 Honda Motors Y10 to Y585. Public Authority Bonds Cents to HK813.60. Jardine Fulliding Y8 to Y178 and Mitachi Y6 to Y251.

Coals rose sharply, however, reflecting increased demand for the coals market of the coals market of the coals market of the coals market of the coals and Green Island. Commit Office Island. reflecting locreased demaod for on the open market after absorbcoal due to the rise in crude ing DM 6.5m the previous day.
oil prices. Missui Miniog Mark Foreign Loans were mixed.
advanced 458 to 7698 and Sumi-

Paris

Share prices again displayed a firmer teodency in reasonably arising from its Finance Corpora-

active trading.
Institutional investors had After a slightly firmer start, most shares drifted down to allow trading, leaving the Commerzhank fodex 4.5 weaker at a new low for the year of 754.4.

Brokers said one reason for the insecurity in the stock market was a rumour that the Buodeshank's Ceotral Bank Council would announce some decision after its regular meetbeen active throughout the session market observers said, seeking out issues which were considered over-sold earlier this week. The downturn in Gold prices had also brought some funds back to the marketplace,

27 ceots over the past two days, rallied 5 ceots to ASI.18, while ANZ recouped 7 cents at A\$4.45 and National Bank 3 cents at A\$2.53. Bank of NSW were just 2 cents easier at A\$3.50. they added.

Melals all moved abead strongly, but brokers were at a loss to explain the hullishness. Denain was the star performer, closing at FFr 29, up 16 per cent from Wednesday's closing price of FFr 25. Saone rose 14 Still failing to respood to the higher dividend and profits, Australian Consolidated Industries shed 2 cents to A\$1.81. per cent and Usinor and Marine-Wendel holh posted gains of 10

Wendel bolh posted gains of 10 per cent by the end of the day. Elsewhere. notably higher issues included Cle du Midi. Viniprix, Ferodo. Benygues, Maisons Phenix, Dumez. Shunier-Duval, Club Mcditerranee, Printemps, Esso. CM Industries, Carrefour and Europe 1.

Losing ground were Credit in tries shed 2 cents to A\$1.81. Early fresh gains by Gold stares oo record high Loodon and New York Bullion prices were virtually erased later. Central Norseman closed unaltered at A\$2.50, after touching A\$25.00, while Gold Mines Kalgurti' finished only 1 cent firmer at A\$1.19 and Emperor 2 Printemps, Esso. CM Industries.
Carrefour and Europe 1.
Losing ground were Credit
National. Bahcock Fives, Darty.
Elf-Agnilaine. Roussel-Uclaf,
Fraissinet and Suez.

Hong Kong
Market further improved in 3 cents to 72 cents.

Market further improved in fairly active dealings on hopes Johannesburg

Despite record high Bullion indications, Gold shares mainly turned downwards in fairly of a cut io loterest rates at the next meeting of the Exchange Banks Association tomorrow. A softeniog of interbank rates quiet trading.
Dealers said the easier trend and reported high returns from was influenced by a harder financial rand, which gained one point to 82! U.S. cents, and light profit-toking, although some shares picked up towards the land auctions also zided market sentiment, with the Hang Seog

index rising 4.44 to 554.71. point to Properties were particolarly favoured. Hutchlson Whempoz and Hong Kong Land gaioed 10 close.

estated.

• SwFr 500 denom, and Bearry characterists otherwise stated. 4 YSO denom-unless otherwise stated. > Price at time of auspension. • Florins. • Schillings.

Dyckorhoffzs't. 150 —8 2.58| 3.1
Gulohoffnung. 193 —1 12.76 4.2
Hapag Lloyd. 95 +1 14.04 7.4
Harpens. 152 —4 15.6 5.0
Hockorh 153 —0.2 — 5.7
Horten 129 —9.37 5.5
Keli und Salz. 135.5 —0.5 10.55 6.2
Kersted1. 215.5 ~0.5 10.55 6.2
Linde. 225.5 ~0.5 0.5 6.5
Lo'bray OM.100. 28
Linde. 271 ~1 25 4.6
Lo'bray OM.100. 1,420 —25 2.0
Lufthansa 225.5 ~0.5 0.36 5.1
M.A.N. 184 —1 21.84 6.0
Mannesmann 156.2 —1.2 17.18 6.5
Munchener Rck Neckermann 156.2 —1.2 17.18 6.5
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Sud Zuckor 242.5 —0.7 26 5.0
Sud Zuckor 242.5 —0.7 26 5.0
Sud Zuckor 242.5 —1.7.06 5.6
Thyssen A.G. 25.0 —1.8 112.5 6.7
Varia 228.1 —0.2 29.12 6.1

Price + or Div. Yld.

AMSTERDAM

Aheio iFl.20;..... Akzo iFl.20;.... Alg'm 8k (Fl 100) Amev (Fl.10(.... Amrob'k (Fl.20);

Heogina (FI.20).1 HunterD.(FI.100) K.L.M.(FI.100) ... Int. Mullor(FI.20) Nal. Hed (neFI.10)

c Conto, d Olvidend after pending righte and/or scrip lasus. s Per share. f France. o Gross div. %. k Assumed rividend after scrip and/or rights issue. k Alter local tases. m. ½ tax Iree. in France including Unilac div. p Hom. o Share opits. s Oiv. end yield exclude special paymont. t Indicated div. x Unosticial trading. o Minority helders only. o Merger pending. Acted, † 2d. § Tradsof. ‡ Sellsi. s Assumed. xr Ex origins. xd Ex dividend. xc Ex ocrio locue. xa Ex oil. A Interim since increased. AUSTRALIA TOKYO ¶

BRUSSELS/LUXEMBOURG

SWITZERLAND 4

8.9 3.3 6.8 4.0

MILAN

Do. Priv.

-50 .525

Island Cement 90 cepts to

sed of late hy the Bank of

Adelaide's financial problems

tion of Australia subsidiary's difficulties, showed some signs of

Bank of Adelaide, after falling

Among Industrizis, BHP re-ceded 10 cents to AS9.40, News 20 cents to AS2.50 and CSR 7

Australia Shares remained inclined, although Banks, depres-

cents to AS3.80.

		1979 : ISinoa Compil					
May May May May May 15 15 14 11 10	-9	High	Low	High	: Lo		
• Industr'is 826,48 825.98 826.07 826,56 829,92 H'mo 8'nds 85.49 85.19 55.21 85.17 \$2.89 Transport 224.29 228.75 222.15 222.48 221,56 Ublitios \$8.95 98.51 \$6.61 89.82 \$9.26	221.50	(2/2) 285,25	(8/5) 205.78	279.63	12.2 19/1/2		
Ublitios 98,55 35.3 Trading vol 28,490 26,278 22,550 24 180 25,250 000°21 28,490 26,278 22,550 24 180 25,250				(20) T (88)			

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Ind. dlv. yield %	6.02	5.	85	e,78		∂5 351 <u></u>	7
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May May 15 15	May Ma 14 11	May 10	May	High	Low 1	tigh - Law	7
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0114-21								
	;			-	: <u>-</u> :	1979	Since	digit t
May 15	M29 15	May 14	11	May 10		High	Low High	LOW
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(Composite 98.42						E 103.54 (1014)	96 15 125 E (27:2) (11/14	Hes
			•			r settings	4 777	÷
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Ind. div. yield %		5.	51	5.1	2	5.08	78.4	4
Ind. P/E Ratio		8.4	14 .	8.6	5	8,71		8
Lon Gov. Bond YI	eld	9.	24	9.2	0.	9.11	1	.
						Diego :		

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May May May M 16 14 1 56,3255.2655.2256	L1 High		- Falls	523 674	1,893 1,888 569 496 696 920 508 472
50,3255.2055.20°	(10/4)			hs 10	12 78 64
MONTREAL	Mary 16		a How Hig	hs 10 45 68	12 12 18

TREAL	1					. 19	79	
,	May 16	May 15	May 14	May,	High		1	OW
tndustrial Combined	242,28 245.28	242.38 245.49	242.81 245.68	243.56 246.20	250.9) (Z 251.80 (Z	7 <u>7</u> 8) (5)		(2/1)
ONTO Composite	1458.0	1454.6	1458.5	1460.4	1451,1 12/5	,	1015.8	(2/T)
Gold InQualrial	286.5 327.1	285.1 825.2	279.5 825.9		290.7 (7/2 327.1 (16/	F .	226.4 270.5	(17/6) (251)

Como							
TORONTO Con	nposite	1458,6 1	454.6 145	8.5 1460.4	1451,1 12/5	1015.4	(2/T)
JOHANNESBI Gold Inqua	i			9.5 278.0 5.9 325.7	290.7 /7/2 527.1 (16/		(17/ 1) (2:1)
, M	ay Pre		1979		May	Prev 197 vious Hig	9 1979 b Low
Australia (%) 56	3.91 . S67.1	0 : 597.68 (19/3)	645.72	2psin	(d) 101-85	101.86 1111	96 93.05 (12/1)
Belgium (t) 10	B.25 108.5		(3/1)	Sweden	(r SEE 02	865.12 401.	34 353.4B
Donmark (** 6	6.22 96.4		18/11	Switzorld	(f) 524.5	824.7 329 (215	
Franco ()t)	78.9 76.		(16/2)	Dec. 195	2 68 Am	a terdam 1	
Gormany (##) 7	54.4 758		754.4			ng Bank	
Holland (\$5)	76.9 74.		73.9 (17.5)	Tokyo	New SE	4/1/68.	b Straits

Hong Kong 554.71 656.27 668.90 483.83 (2/1) (12.6) (2/1) (13.6) (2/1) (13.6) (1	Times 1966, e Closed, d Medrid SE 29/12/78, e Sackholm Industrial 1/1/53 f Swiso Bonk Corporation. u Unavail- able.
Japan (at 455.45 457.50 462.97 435.22 (51.1) (10.4) 3ingaporo (b) 398.28 397.47 398.28 346.34 (177.6) (23.2)	WEDNESDAY'S ACTIVE STOCKS Chongo Stocks Closing on traded price day
Indices end base dates (all base volues 100 except HY3E All Common—50: 3randards ond Poors—10: end Toronto 300—1,000: the lost named based on 12751. † Excluding bonds. † 400 Industrielo. § 400 Industrielo. § 400 Industrielo. 40 Utilities, 40 Finonce and 20 Transport. † 3yoney All Ordinery. † 2eigan SE 31/12/63. ** Copenhagan SE 1/1/73 †† Paria 2oursa 1961. ‡‡ Commerzbank	Charter Co

(23. %)		- STOCKE	Closme	On
(23.2)		. traded	orice	day
basa		,330,600 .		+ 4
on-	Creyhound Wts.	483,900	174	- 4
end	Amer, Motors	415,200		+ 12
smed	Amerado Hess	359,600	337	- 7
nds.	. Chrtr. Co. Wts.	323,900	13	±12
. 40	Caesars World	318,800	683	#1
DOIT.	Poleroid	259,300	30%	- 4
n SE	Eastman Kodak	251,700	. 58%	- 7
/1/73	20eing	228,400	38	
bank	Humane	226,200	262	
				<u> </u>
٠. ١	FTOCKHOLM			
`' 1	STOCKHOLM			
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+ or	Bear 17	Prico -	01 1014	

	AUSTRALIA	••	STOCKHOLM	
es + or Div. Yid.	May 17	Aust, \$ -	May 17 Prico	- Or Div. Yid
-1 14 2.1	-AGM11 (25 conts)	10.67 + 0.01 + 1.10 + 1	AGA AB (Kr. 40), 189 Alfa Lavai (Kr.50) - 182 d Bullerud - 69 Bofors - 113 d Cardo - 113 d Cardo - 125 d Cardo - 125 d Cardo - 126 d Cardo - 127 d Callulosa - 126 d Elec'tux 8'(Kr50) - 157 d Essolte (Free - 148 d Essolte (Free - 50 d Handolsbanken - 539	-1 6 3.6 +2 5 4.5 5 7 9.0 -1 5.75 3.4 +1 11 4.2 -1 5.5 4.1 -1 5.5 4.1 -2 4 2.4 +2 18 5 5.4
15 2.7 -60 35 0.5 95 -6 20 1.4 -1 10 1.4 -5 12 5.2 -3 15 1.4 -7 14 2.1	Boral Boula Robber And Boula Robber And Boula Robber Hill Proprietary Broken Hill Proprietary Carton United Browory. CSR (S1).	12.00 -0.27 12.00 -0.02 11.75 19.40 -0.19 11.47 +0.02 11.20 15.80 -0.07	Sandvik 2"Kribb 225m S.K.F. "2" Kr.50 25.5 Skand Enskilda 137 Tandstik B/Kr60 85m	9 52 +1 250 30 +0.5 4.2 7.1 5 7.6 +0.5 7 7.9

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	Greditbank Kosmos. Kreditkassen	122.5 430 117	-0.5	10	2.3
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	INDUSTRIALS	

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'No hurry' over U.S. futures

WASHINGTON -The chairman of the Commodity Futures Trading Commission, Mr. James M. Stone, intends to move cautiously in the next few months, and study the internal operations of the agency and the concerns of the commodities industry, reports Reuter.

I don't know bow to live up to expectations that I will controversial regulator." he said at his first Press conference since taking office in early May.

am not in a tremendous hurry to change everything. Nothing will heppen lightly, without a great deal of staff work and preparation," he said. Meanwhile the commission said the New York Coffee and Sugar Exchange should tighten up on its surveillance of the coffee "C" futures contract The exchange said It is giving full consideration" to the

In a letter to the exchange this week, Hugh J. Cadden, director of the Commission's division of trading and markets, outlined "serious deficiencies in the exchange's market and trade - practices . surveillance

World peanut crop to rise

WASHINGTON-World production of peanuts in the 1978-1979 season is projected by the U.S. Agriculture Department at a revised 18m tonnes (in shell). down from the 18.6m forecast in March but above the revised 17.2m tonnes estimated for

The USDA said the increase from 1977-78 reflects improved prospects in the U.S., Argentina, Brazil, and Senegal. However, Sudan, South Africa, and Indonesia are expacted to harvest smaller crops.

New Israeli cucumbers

By Our Own Correspondent TEL AVIV-New strains of cucumbers, which can harvested mechanically, have been developed in Israel.

The use of combines will in a considerable lowering of production costs not only by reducing wage bills, but by also permitting the simultaneous barvesting of cucumbers for export, for the local market and for canning factories.

Platinum market Hides prices fall again at new peak

BY JOHN EDWARDS, COMMODITIES EDITOR

MARKET platinum values reached a new all-time peak yeslerday. The London sterling price of £212.10 an ounce, up by £2.60, exceeds the previous record reached in February. The dollar quotation, at \$436.50, exceeded the record of \$435 earlier this week.

The rise was attributed to fur-ther speculative buying triggered off by the upward trend in the New York market overnight. However, a warning about the dangers of too high about the dangers of too high prices was delivered by Mr. Ian Greig, chairman of Impala Platinum, last night speaking at the annual London Platinum dinner.

were viewed as expensive it was almost inevitable that as soon as industrialists started using them in significant quantities a research programme to find a substitute was promptly started He cited the example of palladium in the mid-1970s.

where producers with a short-sighted disregard of the doctrines of price demand sensitivity had pushed up prices here producers to an unrealistic level. This bed

the electronics industry. "There is a lesson for all of us in this and we must not forget it," commented Mr. Greig, quoting other examples where platinum had lost sales to substitutes following technical developments.

Meanwhile, on the London Metal Exchange, three months leed and nickel also reached new peaks yesterday. Nickel rose by another £55—the third successive daily rise—to £3,397.5 a tonne reflecting the view that the Internetional Nickel strike at its Sudbury mines may con-tinue for some time yet now that the company bas refused dinner.

Mr. Grelg pointed out that rejected at the weekend by 57 because platinum group metals per cent of the workers.

Lead was boosted by reports of renewed Communist bloc up by £3.5 to £591.5 a tonne. is still below the all-time peak of over £600 reached in March but the three months quotation which rose by £7,25 to £566.5 is at a record level.

In sharp contrast zinc values fell sharply yesterday—the cash price closing £9.75 down at £372 a tonne—following a further fall resulted in the permanent loss in the copper market. Copper of two-thirds of its sales in one prices, in fact, fluctuated wildly of its most important markets in throughout the day,

Brazil plans coffee export auction

BY RIK TURNER IN SAO PAULO

THE Brazilian Coffee Institute of 6m bags exported is to be (IBC) is unofficially reported to bave decided to authorise sales from its stocks via a new system of auctions on the Sao Paulo Commodities Exchange.

The object of the operation is to enable exporters to fulfill sales commitments prior to the new crop's entry onto the market in July. While no date has been fixed for the auctions, Sao Paulo brokers believe they will be carried out before the end of the month, with the 28th

the most likely day.

The total amount to be sold was estimated by one broker at between 800,000 and 1m bags (60 kilos each), but this may well increase to 15 to 2m if the institute's pre-July target

reached.

As to fears that the auction system will provoke a drop in the domestic market price, Sr. Aires Funes of Penfield Commodities comments that this would depend on the IBC's starting price. It seems unlikely however, since prices bave a tendency to rise at this time of the year due to the threat of possible frosts in Parena. In Kampals meanwhile, Mr.

A. Nsereko, pineral manager of the Ugandan Coffee Marketing Board, said new sales of Ugandan coffee will have to await the conclusion of negotiations on trade and transport now taking place

By Our Commodities Staff HIDES PRICES continued to decline at yesterday's Man-

Offerings were withdrawn at even lower levels than at the Leeds auction on Wednesday but dealers said some hides changed hands privately after the sale at above the withdrawn levels, though still well below the

Leeds prices.
They said prices were still reacting against last week's advance, which was generally believed to have pushed prices

Export demand had sub-sequently subsided significantly, they added.

Bauxite levy rise sought

KINGSTON — The Jamaica Government has announced It wants to boost its production levy by nearly \$2 on bauxite, reports AP-Dow Jones. Eric Bell, Finance Minister, said this week the Government also planned to introduce incentives

to encourage production.

Mr. Bell said the Government wanted to boost the production levy from \$18.49 to \$20.23—the levy would equal about 7.5 per cent of the world price for an aluminlum ingot. Talks are under way with two

of the five companies about the proposed levy and incentives. In Georgetown, the Guyana Parliament has authorised the refinancing of a \$42.5m loan to the country's bauxite industry, raised through a consortium of

The loan was due to be repaid by next year but the bauxita industry development company bes now negotiated a second loan to push back repayment

Swiss farm exports lower

By John Wicks in Zurich

SWISS EXPORTS of agricul-ROME—World Beef prices trade prices it is claimed, is likely, should stay firm this year and High-priced meat markets in Lookin tural produce fell in volume by 10 per cent and in value by average well above 1978 levels, 11.4 per cent last year , with more than two-thirds of the total accounted for by cheese. secording to the UN Food and Agriculture Organisation Beef production is declining At the same time, Switzerland's agricultural imports rose this year in both major importing and exporting countries. Combined production in major

in volume by 4.8 per cent bnt, as a result of the bigb Swissfranc exchange rate, showed an 11.7 per cent fall in value terms. Some 71.5 per cent of all Swiss agricultural exports last year went to the EEC area, which also provided nearly one balf of all imports.

BANGLADESH

New hope for land reform

PRESIDENT ZIAUR RAHMAN to say 10 or 15 acres depending of Bangladesh is committed to 2 on whether the farm has land reform programme, have to carry out land reform measures, but will do it in a rational way and in second with the democratic process," he said, but declined to give any more details.

In the past the President has refused to be drawn on the whole issue, so his statement represents something of a conversion to what is becoming the prevailing intellectual wisdom in Bangladesh—that unless

there is urgent and far-reaching land reform millions more peasants will be reduced from minor landowners to virtual beggars with little hope of economic development even in the poor underdeveloped style of Bangladesh.

There is still a long way to travel between the President's commitment and active legislation and the "democratic pro-cesses" in Bangladesb may not offer much belp as many of those with a hand on political power also have a good grip on larger landholdings. In the meantime food shortages are forcing numbers of peasants to sell their land.

Though the President would not go into details, other officials told me the following six broad options for land reform bad outlined in Cabinet

• A simple law giving security of tenure to sheregimple law attachments designed to reduce abuses under which some bigger fermers still hold 200 acres or

Redncing the land ceiling this year.

beef-trading countries will drop to 17m tonnes in 1979, accord-

ing to the FAO meat study

group from an estimated 19m

tonnes in 1978.

assured irrigation, allowing the farmer to keep bis title to the land but distributing the excess for cultivation by non-viable cropper is the more difficult in farmers. The original owner that he generally has to provide would be able to share in the all of the inputs, and then exon or profits.

and redistributing the extra land to poorer farmers. ..

 Encouraging tha formation of voluntary co-operatives by present non-viable farmers, possibly backed by reduction of ceilings and redistribution. Compulsory formation of cooperatives on all the land, with shares of the crop distributed according to the farmers' boldings.

 Thorough collectivisation of agriculture, with workers paid wages by the State. Suggestions of the need for reform reflect the growing con-

cern that more and more Bangladeshis are without land and livelihood. The latest and livelihood. The latest official figures suggest that more than half the rural population is effectively landless, with boldings of half an acre of less. Half of all the landholdings are of less than one scre, considered to be a non-viable farm size. At the same time, tenants, sharecroppers and marginal farmers are increasingly insecure. The evidence is that landlessness is rising at about three times the rate of the overall population. What croppers and tensmts without bappens is that the small farmer changing the landholding ceiling falls deeper and deeper into of 30 acres. This could still bave debt until he is forced to sell to a big farmer. This happened on a wide scale in 1974, the last famine year, and economists fear that it is happening again

Firm beef prices predicted

and in some areas have been used by farmers merely to test niques. The plight of the share-• Reducing the land ceiling thirds of the crop to the landowner.

> Members of the p lanning commission who have prepared the approach papers are keen to see Bangladesh adopt a pragmatic approach and to leave the most efficient farmers—the 2.5 to seven acre men-undisturbed. This, they say, should ensure that total production will not fall. Bangladesh grows more than 13m tonnes of graio, mostly rice, but with 500,000 tonnes of wheat, each year, but still has to import more than 1m tonnes. Any land reform that reduced the gize of the crop would be disastrous both for the population and the

> national accounts. They are in favour of measures to give security to tenants and sharecroppers and would like to see co-openatives encouraged, preferably in competition with private ownership. Some officials are aware of the dan-gers of trying to farm through bureaucratic machine.

For all this there are big problems ahead, even though justice and efficiency both seem to point in the direc-tion of land reform. Very often big landowner is an absentee who farms inefficiently by comparison with the fiveacre man.

sgsln, an economic downturn

remain adequate, production of

pig and poultry meat should

continue to expand, permitting a further shift from beef.

Tenants do not have security largest landowners are those with the best political connections. Moreover, newcomers to the landowning classes 'inclade police, army officers and senior civil servants - the very figures needed to see that reforms are carried through. The history of the Indian subcontinent is that even the modest land reform measures of the past bave been easily circumvented, thus allowing numbers of 200 scre holdings still to flourish in Bangledesh.

Without vigorous administrative backing, the likelihood would be that even a small measure like giving tenants security would be rendered ineffective by farmers who would turn their tenants into daily wage labourers, and thus make the land problem even more iotractable.

Some officials in the planning commission, bowever, talk of enforcing land reforms by win-ning village support and getting the villagers to police the

The key factor is the attitude of the President. After his elec-tion victory, President Zia has enough seats to push through any reform be likes. But he seems to be more aware of the need to balance the factions among his own political supporters and therefore less likely to be radical.

And even if there was a radical land reform, it would only be a means of affording some hope to those who have not yet been squeezed out of the economy. For the 30 to 40 per cent f the 85m people who have no land, no bope of becoming tenants and little prospect of regular work some other way Today in Bangladesh the forward will have to be found

£7m Heathrow 'garage'

By Our Aerospace Carrespondent BRITISH AIRWAYS is to spend Looking beyond 1979, the North America and Japan, FAO group forecast tight beef £7m on a new base for its ground vehicles at Heathrow. supplies for the next few years." The depot, including an 80,000-Tha rise in beef trade prices, gall. "fuel farm," is the second bowever, could level out before phase of a £14m scheme to world beef production increases transform the airline's ground support equipment branch at would raise consumer resist-ance to bighar beef prices, Provided that feed supplies Heathrow, responsible for all vebicles it uses on and off the airport.

The airline believes that the new base, to become operational next year, will offer oppor-tunities for increased efficiency

BRITISH COMMODITY MARKETS

COPPER—Lower on belance efter a 15, 14, 13, 13.5, 14, 15, Kerb: Wirebars, day of arratic movements on the three months 1918, 20, 23, 22, 21, 20, 19, 20, 22, 21, 22, 20.

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Amelgemeted Metel. Trading reported that in the morning cash traded at £308, three months £319, 17, 18, 18, 20, 13, 18,5, 18, 18,5, 20. Cathodos, three menths £311, 18,5, 20. Cathodos, three menths £311, Kerb: Wirebers, osah £306, three months £321, 20, 20,5, Afterneon: Wirebers, three menths £309, 10, 9, 8,5, 8, 9, 9,5, 10, 11, 14,

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ALUMINIUM

COPPER

NICKEL

Reports on these commodities are

now available. For copies, contact:--

Part of the Continental Grain Company Group

World Trade Centre • London E1 9AA

Telephone: 01-488 3232

chart point at £560. Tumover: 9,575 tonnes.

Public in Jaki B B					
etal opened around shead to close at E7,270, raflacting buying. Tumover:	Cash š montba Sett ment U.S. Spot.	567-8	£ +12 +12; +12;	£ 591.2 556-7	‡
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COCOA

Cocoa futures temained steady, trad-ing within a narrow range to close little changed from Wadnesday night levels, reported Gill and Ouffue.

OCOA	Yesterday's Close	+0	Business Done
H10001111000	1872.0-1876 1622.0-1828	+ 15.0	1676.0.1661
	1648.0-1647 1706.0-1708	-1.0 -6.5	1954.0-1640 1715.0-1708
	1725.0-1726 1740.0-1743 1755.0-1780	— 5.0	1759.0-1788
rlae: 1.8	339 (1,489) mai Coco	lota ef	10 топлав

cents per ocund): Daily prica 18 150,34 (149,16). Indicetor lar May 17: 15-day average 149,16): 22-day average 148,98

The marker opened higher with the steadiness being ettributed to the open position which showed egoin off £27 from the openious night's close with good buying from one carticular quarter, reported Oraxel Sumham Lambart. Prices were unable to held their initial steadiness and the market drifted aufatty lewer in the morning session. The market continued to wooken throughout the offerneon to close an er uround the lows of the day.

0011			Done
	£ per tonne		
May	1922-83 1507-10 1498-99 1491-98 1485-90	15.0 15.0 27.0 24.0 22.5	1682-05 1999-15 1559-08 1995-95 1929-85 1517-04 1520-80
Sales: 3,4	175 (5,644) Icator prices	ots of	1 tonna

(U.S. CRITS per pound). Colembian Mild Arobicas 152.00 (154.00); unwashed Arebicas 153.00 (152.50); Robustas ICA 1968 148.50 (asma); Robustas ICA 1976 148.00 (asma); other Mild Arabices 150.00 (151.00) Cemposite daily ovarage 148.64

LONDON FUTURES (GAFTA)—Old crops oponed unchunged but came under a great deal of salling pressure, May wheat in seed in eased in their volume due to lock of buyers to clese Sog lewer on the day. May bartey saw alightly more trude but vulues seed considerably to class E1.55p lewer. In ective trading conditions naw creas seed. On commercial selling with a good volume in the near buys, to close 65-85p lower in an wheat and barluy. Acil reported.

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01.75	i. Selaa 3	33. Bi	, Merch 1 Irley: May	97.2
6.00,	SEQT. 8/	.40-80,	60, Nov.	90.3

HGCA-Location ex-1erm

STEADIER opening on the London physical market. Fair Interest at higher isvals throughout the day, clesing autist. Lewis, and Pear reported the Melaysian godown price was 288 (284) cents a kits (buyer, June).

No. 1 .5.8.	Yesterday's Close	Previous Close	Buriness Done
Jept.	22.75-55.10 65.80-84.40 64.85-65.65 69.55-87.80 68.86-88.85 72.65-72.70 74.70-74.75 76.75-78.80 38.684) liet 15 tonne. 20 (61.0):	61.60.62.18 65.40.83.65 54.60.84.65 68.60.98.66 70.60.70.68 72.55.72.70 74.56.74.76 75.55.76.80 ote of 5 20	82.85-62-8 65.45-84.7 67.75-88.7 69.60-69.7 72.98-76.7 75.08-74.7 77.45-76.7 nnes: 419
ly 66	δρ (68.25).	Julie Orp	feered

The London merket opened unchanged regorted T. G. Roddick. Trading wee dull and thin throughout seesion following quiet cash markets and closed an high of day.

Sales: 53 (120) lots of 100 tonnes

_				
		E per to	dine .	
ng	105.25-0	5.35 108.	00-05.05	105.40-04
cC	105,40-0	9.50 789. 2 40 140	00-09.05 85-12-90	199.50-02 112 60 12
erch	110.25-1	8.60:117.	70-12-30 70-17-75;	110.55-17
AV	·121.08-2	1, 10 120,	25-20.50	121.00
uø	125,00-2	5.20 124.	25-24.50	
ct	128.38-2	8.70 127.	50-28.00	
	. ~	/4 mm		·

Sales: 1.277 (1,238) lots af 50 tonnes. Toto and Lyle sx-minery grice lot granulated besie white euger was 1279.50 (same) a tonne to home used and £167.50 (£168.50) lor export. International Sugar Agreement (U.S. cents per pound fab and atowed Caribbean pert). Price for May 16: 7.90 (7.81): 15-day everage 7.85 (7.83). WHITE SUGAR—Close (in order loss) and the content of the cont

AMITHFIELD—Pence per pound. Beet. Scerch killed sides 58.0 to 62.0; Eira hindquerters 77.0 to 78.0, forequerters 35.0 to 38.0. Lamb: English small new season 74.0 to 88.0; English madium 76.0 to 94.0; Imported Frezen New Zeslond Pt. 52.0 to 52.5, PM 51.0 to

PRICE CHANGES

High-priced meat markets in

where import prices bave more than doubled in the last 18

months to about \$3,000 per

tonne, could attract a growing

share of limited beef export

As other importers such as

Russla, oil-producing countries

and some developing countries

shift demand to cheaper meats,

Supply pressures should at upward price pressure on least maintain current beef sheepmeat, especially mutton,

111 WILLIOS UII	iosa odigi	4100	stateu,
	May 17 1979	+ er	Month ago
	-	· -	
Metals · ·			
Numinium	£710		£710
Free Mkt les)	\$1556/75		\$1,540,60
Cooper	£899.8	11.5	£994.8
Cash w bar.	F914.5	_11.0	£998.5
Cash Cathode	£88 3	-6.5	2992
3 mile	£905	-9.5	£994
Gold troy oz.	\$258,878	+0.5	\$244.575
Load cash	£591.5	+5.5	£535 £511.5
3 mth	£300,0	+ 7.20	£2,750.09
rcemkt(cif(ib)	500/3600	+ 15.0	955/65e
Platin'm tr'y oz Frea mkt Quicksilver	£171		£159 £190.25
Frea mkt	£212.10	+2.9	£190.25
Bliver troy oz	807 5a	- 1 0	\$255/65 399.05p
months	419.150		371.15p
In cash			£7.295
3 mths	£7,025		£7.080
rungsten	S155		\$137.42
Wolfrm 22.54aif	8138/48		
Zing cash	£379	-9.7b	9 152/59 £875
3 months	£384.5	9.75	£389.25 \$800
Producers	\$800	P41 P31 141	\$ 800
Oils .			
Coconut (Phi0.	\$1,110g	+ 5.0	\$1,150
Croundnut Linseed Crude,			2405
Paim Majayan.	5662-		\$657
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Seeds Copra Philip	S720z		\$740
Soyabean (U.S.)			\$504.15
	95557	70.0	19201120
Grains Sariey Futures	€85.60	0.66	£89.55
Maize		J	
rench No 2 Am	£111.75		£112.0
Wheat			
No. 1 Red apg. Na 2 HardWint.	Ŧ		
Eng. Milling t.	£107.5-		£101.9*
Other			
commodition		1	
eemmedities locoa ship't' Future July loffeeF't'rJuly lotton A'index	£1,703	+6.0	£1.64n-
Future July	£1,629.5	+5.5	£1,558.5
offeef triuly	£1,822.9	-15.0	£1,52 .5
cotton A'indexi	-15.pc		78.552

undar 100 bs 25.0 to 45.0 100-120 lbs 34.0 to 43.0, 120-180 lbs 33.0 tm 41.0.

MEAT COMMISSION—Avaruga turstock orices at representative markets on May 17. Ga cattle 78.59p per kg. lw. (+1.14); UK sheep 185.8p per kg. est.d.c.w. (-12.0); G8 pigs 57.8p por kg. l.w. (-4.1). Sheep 185.8p per kg. est.d.c.w. (-12.0); G8 pigs 57.8p por kg. l.w. (-4.1). Sheep and and Wates: Cattle numbors down 9.1 per cent. everage price 79.37p (+1.21); Sheep numbers up 10.3 per cent. everage price 185.8p (-12.0); Pig numbers down 1.4 por cent. average price 57.8p (-4.1). Socitabid: Carlia numbers up 20.7 per cent. overage orica 77.35p (+1.39).

COVENT GAROEN—Prices in sterling par packaga except where orherwise etsted: 0 ranges—Israelit Velencis Lateu 4.90-8.00; S. African: Navels 55/150 4.30-4.00; S. African: Navels 55/150 4.30-4.00; S. African: Navels 55/150 4.30-4.00; S. African: Navels 56/150 1.00/120s 5.30-5.50; Spanits: Trays 30/40/45 1.80-2.20; S. African: 5.00-8.60; Brazilian: Trays 2.80-3.00. Grapefruis—Cyprus: 4.00-4.80; Israell: Jaffa 35/88 4.00-4.90; S. African: Granny Smith 7.00-7.40, Whita Winter Pearmsin 5.00-8.60; Gelden Delicious 7.40, Rad Olliciaus 7.50-7.00 unn's 2.08-80, Gelden Delicious 7.40, Rad Olliciaus 7.50-7.00, Cox's 0ranga Pippina 8.20-8.80, Gelden Delicious 7.40, Rad Olliciaus 7.50-7.70, Rad Olliciaus 7.50-7.70, Cox's 0ranga Pippina 8.00-8.80, Golden Delicious 7.40, Rad Olliciaus 7.50-7.80; New Zealand: Cox'a Oranga Pippina 8.20-8.80, Gelden Delicious 7.40, Rad Olliciaus 7.50-7.70, Rad Olliciaus 7.50-7.70, Rad Olliciaus 7.50-7.70, Pearm—S. Alrican: Cartons Baurrè 8.00-8.00; Canedlan: Red Oeliciaus 8.00-8.50; Italian: Paesecrassene trays 1416 2.30-2.40; Belgian: 0.14-0.15; Banasas—Jamoican: Par 28/b 4.20.4.20. Grapes—S. African: Cartons 8.20-8.50; Italian: Paesecrassene trays 1416 2.30-2.40; Belgian: 0.14-0.15; Banasas—Jamoican: Par 28/b 4.20.4.20. Grapes—S. African: Cartons 8.20-8.50; Italian: Paesecrassene trays 1416 2.30-2.40; Bolgian: 0.14-0.15; Banasas—Jamoican: Par 28/b 4.20.4.20. Grapes—S. French: 0

AMERICAN MARKETS

A.AU, Sept. nil.

Capper—May 83,60-83.65 (81.75), nine 84.30 (82.20), July 84.80-84.96, pt. 26.55-95.75, Oec. 86,60-87.00, 882.0-881.0, Feb. 895.0, April 988.0, n. 86,80, March 87.20, May 87.50, \$82.0-881.0, Feb. 895.0, April 988.0, Dec. 87.50, April 988.55, Jan. 850, March 88.86, Jan. 86.80, March 87.20, May 87.50, \$82.0-881.0, Feb. 895.0, April 988.00, Jan. 855, March 88.86. June 84.30 (82.20), July 84.60-84.95, Sapt. 85.5-95.75, Oec. 85.60-87.00, Jan. 86.80, March 87.20, May 87.60, June 88.85, March 99.00, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 277.90, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 277.90, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 297.80, Dec. 297.80, Aug. 101.20, Oct. 102.50 nom., Oct. 103.80, Feb. 105.01, Feb. 973.0, April 986.0, June 999.0, Aug. 101.20, Oct. 102.50 nom., Oct. 103.60, Feb. 103.80, Feb. 105.01, Feb. 973.0, April 986.0, June 999.0, Aug. 101.20, Oct. 102.50 nom., Oct. 102.5

41.00 asked, July 41.60 sakud. Selca: 6,802.

11Maire—May 260-260¹, | 2574.) July 2644-265 (2624.), Sept. 2674. Oec. 270. 263¹2. March 278. May 283-283²4.

Plywood—Mey. 196.3 (198.7). July 197.0 (198.3), Sept. 188.5. Nov. 197.1, Jan. 199.0, March 202.0, May 202.0, July 202.2 nem. Sept. 202.2 nem. Pork Bellies—May 48.15 bid [50.05), July 47.45 (49.37). Aug. 45.90-46.00, Feb. 50.20-50.25, March 49.85 asked, May 50.40. July 50.50 asked, Aug. 49.72 saked. Selce: 7,053.

Wednesday's closing prices

NEW YORK, May 16.

Coccos—May 141.05 (141.10), July 143.05 (142.66), Sept. 145.70, Occ. 149.20, Merch 150.95, May 152.20, July 153.80, Sept. nil.

Cottor—Na. 2: July 62.40-62.45 (28.7), Oct. 63.05, B3.85 (64.10), Occ. 63.01-63.10, March 63.85, May 64.70, 63.01-63.10, March 63.85, May 64.70, 64.75, July 65.00-65.70, Oct. 65.00-65.70, July 435.70, July 435.70, July 435.70, July 435.70, July 435.70, Oct. 441.90, Oct. 441.90, Oct. 441.90, Oct. 441.90, Oct. 109.60 asked 1111.10-111.50), Oct. 109.60 asked 1711.00 ackad), July 193.60 asked 1711.00 ackad), July 193.60 asked 1111.00 ackad), July 193.60 askad, 193.60 asked 1111.00 ackad), July 193.60 asked 1111.00 ackad), July 193.60 ask

41.55, July 41.80. Balest 3.808.

#Malze—May 2577-257 [2574], July 2674-2672 (264], Sept. 26572, Dec. 2672-2674, March 275-2754, May 28174.

#Wheat—May 3667-36574 (372), July 3667-36672 [37274), Sept. 36872 Dec. 379-37814, March 388, May 38772.

WINNIPEG, May 16. \$Rys—May 109.40 asked [1111.0] askad], July 109.40 asked [1111.0] 1111.50], Oct. 109.60 asked, Occ. 106.90 askad.

\$Bartey—May 103.50 (105.00 bid), July 47.70 (55.30 askad), Oct. 92.00, Occ. 90.90 asked, March 90.90 bid. \$Oats—May 96.00 asked 185.70 bid), July 90.20 asked 195.00), Oct. 88.50 askad, Occ. 87.10 bid, March 85.60 bid. \$Flaxssed—May 321.80 asked (322.00)

EUROPEAN MARKETS

ROTTEROAM, May 17.
U.S. Ne. 2 Oask Herd Winter wheat, 13.5 por cant, unquoted. U.S. Ne. 2 Red Winter wheat June \$160, Ne. 2 Red Winter wheat June \$163, Lay \$163, Aug. \$184, Sept. \$185, Oct. \$187. U.S. Ne. 2 Northern Spring wheat, 14 per cent, May \$170, June-July-Aug. Sept. \$186.80, Oct. \$172.50, Nov. \$175.

Meize—U.S. No. 3 Corn Yellow alloat \$131, May \$132, June \$131, July-Sept. \$132, June \$132, July-Sept. \$132, June \$132, July-Sept. \$132, June \$132, July-Sept. \$132, July-Se

DOW JONES

May Month Year 15 ago ago

INDICES

FINANCIAL TIMES May 16 May 15 M'nth ago Year ago 275.09 975.16 272.86 245.10 (Base: July 1, 1952=106)

MOODY'S May 16 May15 M nth ago Year ago 1062.8 1063.0 1053.4 920.3

apot ... 387.97.992.60.383.92369.13 Ftur's 385.76395.83,384.26,354.76

REUTERS

May 17 May 18 M nth ago Year ago

1567.9 1566.0 1645.3 1470.2 (Base: September 18, 1931=189)

Buyers Processors-Refiners Basic Metal Co Ltd Vineyard Walk, London EC1 01-278 6311 Telex: 27159

GOLD SILVER

CLUBS

EVE. 199, Regent Street. 734 0557. A la Carte or All-la Menu. Throe Spectacular Floor Shows 10.49. 12.49 and 1.45 and mostic of Johnny Hawkesworth & Frience, CARGOYLE, 60. Dean Street, London, W.1.
NEW STRIPTEASE FLOORSHOW

11-3-30 cm. Show at Midolght and 1 am.
Mon.-Fri, Closed Stundays. 01-437 6455

I.G. Index Limited 61-351 3466. Three month Gold 262.85-265.85 29 Lamont Road, London SW19 0HS. Tax-free trading on commodity futures.
 The commodity futures market for the smaller investor.

CORAL INDEX: Close 530-535

INSURANCE BASE RATES

Property Growth

ting	česh š montba čett ment	594-5 567-8 595		556-7	+7
	U.S. Spet.		T	*48	1:::
er or	Meming:	Cseh	£595,	three m	ont
	£568, 69, 66, 67, 68,	67.5, 68	, 67.5.	Karba	Thre
+ 60 £	months £56 £565, 63,	64. 65	noon: 66.	Three tr	ont The
+32.5	menths £56	7, 71, 7	0, 69,	70.	••••
	ZINC-E	sier Inf	luonce	by th	o f
+ 60 +42	In copper Forward m	end gen eterial v	erei la	ck ef into	E393

60, erb:	ZINC	e.m. Official	+-	p.m. Duofficial	<u> </u> *
ter- 1760 65, 265,	Cash	SB0	_3 _3	571.5-9.9 384-5 *\$7.5-8.5	-0.7 -9.7
the 555 the	93, 92.5,	92, 91,	Karb:	Three m	enth

65, 265,	3 months 3 ment Prim.west	391-2 SBO	3 5	384-5 57.5-8-5	9.7
the the tive	Marning 93, 92.5, £389, 88, 1 £386, 85, months £3	63, 86, I	Karb:	Three m Three m	enth:
=1	ALUMIN quiet and metal fine	routina t	rginally trading, on th	ermu with lo	r i word kerb

A lumito'm	Offices]		Drofficial	
Spot S months:	751-2 765-6	£ + .0 - 2.25	769-4 755-1	₽ +4 +5.
E763, 65, Three mo months Months E NICKEL- rising to prior to	66, 65.5, ntha £765 2764, 64.3 765. Higher a peak 1	85, 6 . Ai 5, 6 with 23,415	three miles, 65.5. fernoen: 1, 67. larward : at ane a late ker	Karb Thre Thre meta poin

Marning: Three menths £3,360, 70, 80, 90, 95, 90, 85, 90, 95, 95, 95, 97, 3400. 3,339. Korib: Three months £3,380, 85, 90, 95, Kerb: Three months £3,380, 85, 90, 95, Kerb: Three menths £3,395, 3,400, 10, 15, 10.

Gilver was fixed 1.6p an ounce lower ler spot delivery in the London buillon merket yesterday at 407.3p. U.S. cam equivalents of the fixing levels were: Soot 839.0c. down 3.5c: thrac-menth 861.1c, down 2.6c: sia-menth 972.2c, down 3.30c; and 12-month 910.3c, down 3.0c. The motel opened at 405%-406% at 405%-830c). Boltion + or axing price pot....... 407.30 -1.6 406.2p +0.55 months. 419.150 -1.55 416.15p +0.46

LME—Turnovar 247 (297) lots of 10,000 czs. Morning: Three months 420, 19.9, 9.8, 9.7, 9.6, 9.7, 9.8, 9.3, 9.5, 9.4, 19, 9.3. Kerb: Three montho 419, 9.2. Alternoon: Three months 413.8, 14, 4.5, 15, 14.8, 4.5, 15, 14.9, 15, 14.9, 15.4, 5.2. Kerb: Three months 415.1, 17.5, 17, 16.5, 16, 15.8.

LIVERPOOL COTTON --- Spot and shipment salas in Liverpoel amounted to 110 tonnea, bringing the total for the week so let re 1,445 tonnes. Reter sleck trading continued, with no sup-

port in African qualities. Buyers ra-mained hesitant, spart Iram speciel

COTTON

unchanged.

IMPORTED—Wheat: CWRS No. 1 13¹/₂ pai Gant, unquoted. U.S. Oark Narthem Soring No. 2 14 per cent. Mey-June 91.75, July 91.25, sellers transhipment East Coast. U.S. Hard Winter 13²/₂ per cent, unquoted. EEC, unquoted. Meize: U.S./Franch, May 111.75, June 112.00 sellers transhipment East Coast. South Alrican White, unquoted. South African Yallow: May 78.00 naminst. Barley: English leed lob. June 105.50, quoted transhipment Eest Casat.

IMPORT LEVIES—The following levies and premiume are affactive for May 19 in arder current levy plus Juns, July and August premiume, with previous in brackets. All in units of account

0.38, 0.19); Buckwheat; 0.76, rest nil (0.76, rest nil); Milet: 85.67, rest nil (95.87, rest nil); Grain sorghum; 99.83, rest nil (99.93, rest nil); Flour levies lwheat er mixed wheat and rya flour); 147.53 (147.53); Rya flour; 156.70 (156.70).

RUBBER

SOYABEAN MEAL

October

SUGAR

LONDON OALLY PRICE (rew augar): 598.00 (seme) a tonne cit tor MeyJune shipment. White eugar daily price
was £105.00 (seme).
The market opaned around ovarnight
levels bur orices seen moved wheed
tollewing reports thur Sudan had purchosed eight cargaes af whites. However, the gains wars very limited and
tha turnover resulted principelly from
awliches between Octaber end March,
regerted C. Czamikow.

FINANCIAL TIMES STOCK INDICES

73.52 73.33 73.11 73.43

Gold Mines(Ex.5 pmi 144,3 143,9 140.5 137,1 134,5 154,1 101.7

P/E Ratio Inet (*) 8,62 a.70 8.59 8.61 8.74 8.30 8.00

129.9 4+2.3 43.5 (17.4) 22/5/75((26/10/71)

144.3 95.2 337.1 54.3 (17.5) (2/11) (3/4/74) (25/8/76)

5,56

75.87 75.89 75.86 76.14 76.55 76.32 72.33 530.7 536.2 526.4 525.4 532.8 532.7 JBD.9 177,2 175,4 170.0 165,4 165,8 165,2 161.0

4,939 4.624: 4,019 3,954. 4,528 4,625 4,795

5.50 5.57 5.56 5.48 5.45 5.50

14.75 14.94 14.98 14.70 14.60 16.68

Long Gilts move higher after money stock figures but equities suffer relapse and close broadly lower

Account Dealing Dates

Dealings tions Dealings Day May 8 May 17 May 18 May 30 May 21 May 31 June 1 June 12 June 4 June 14 June 15 June 26 "New time" dealings may take place from 9.30 am two business days

An extension of Wednesday's rallying movement in equilies lasted less than an hour yesterday as the market became unselling aroused by nervousness pending the announcement of the money supply figures later was, however, described as light in the day. Fresh investment de aod inhiblied to some extent by mand was not drawn by the the tone in sterling previous day's charp upturn and dealers were reluctant to increase the amount of stock of the control of the crease the amount of stock of ing after the official close of their books so close to today's husiness, sustained losses

closing of Account positions, off at 530.7. Last month's strong Later, the bank lending figures recovery in retail sales made were less bad then feared and little impact on Stores which

LONDON TRADED OPTIONS

38

10 33 30

Augus1

25 9 215

30 19

Oct.

Clesing | ellor | Vol.

were therefore interpreted as suffered double-figure losses in of the one-for-four scrip issue, relinquished 3 to 34p. Sporadic to 323p on the \$3m acquisition Options mildly encouraging money
*First Declara- Last Account supply otherwise was in line with anticipations.

> Government securities, in fact, improved after the money stock anoouncement with the looger maturities 6nally gaining as much as a in places and the shorts recovering from early dullness to end unchanged on halance despite talk of tap stock issues today; the Variables proved susceptible to the possibility of new issues and the 1982 variable fell ; to 96!. In-terest throughout the market

end el the current trading ranging to Sp. John Brown preaccount.

vided an exception with a fall of
The absence of new-time demand for the Account beginning on Monday was deemed to share index surrendered a 10 be more disappointing than um gain of 1.4 to be 6.8 down occasional sales representing the ut 2 pm before ending a nel 5.5

Closing; Equity

264p

: 109p

434p

155p

388p

310p

1 1**2**p

11Ïp

20

30

money some cases.

Rates for Investment currency edged higher to around 56 per cent before interest faltered and the premium closed a net b up at 55½ per cent. Yesterday's SE conversion factor was 0.8142 (0.8203).

With equily business at a fairly low ebb, Traded options eocountered a reduced level of demand and recorded 1,168 contracts against the previous day's again active with 278 trades, while interest was also shown in Consolidated Gold, 137 and EMI,

Insurances gave a drab performance with Lloyds brokers particularly affected by persis-tent offerings and lack of support. C. E. Heath led the re-treat at 223p, down 12; Alexander Howden declined 9 to 87p wbile Hogg Robinson, 128p, and Minet. 139p, fell 8 apiece. Willis Faber relinquished 5 to 245p as did Sienhonse, to 93p. Composites also traded lower with General Accident closing 4 off at 236p following further consideration of the first-quarter figures. GRE gave up 6 to 260p and Sun Allianee 24 to 622p.

Dull conditions returned to the major clearing hanks which closed at the day's lowest. Midland dipped 10 to 410p and NatWes1 7 to 365p. Elsewhere, Bank of Ireland edged forward 5 to 400p following the results, while revived demand in a thin lifted Hill Samuel Warrants 50 to 675p. Hymbros encountered profit-taking and cheapened 6 to 296p.

"new-time" buying. Breweries and kindred issues drifted lower in a quiet business, but Scottisb nd Newcastle remained firm, rising 1) to 73p. The mid-term results from Moriand and Matthew Brown had little effect, the former finishing a penny easier at 105p and the latter un-

In line with the general treod, Building issues displayed an easier tendency. Blue Circle slipped 8 to 328p while Coslain dipped 6 to 204p with the Deferred 8 off at 154p. A good market of late on Press comment, Mallinson Denny eased 2 Hall, to 282p, while A. Coben to 630, while consideration of 6rmed 10 to 300p, Whessoe dip-the lower interlm profils left ped 3 to 124p, after 123p, in 10 630, while consideration of Pochins 6 cheaper at 149p. Up reaction to 14 on Wednesday, Tunnel B cootraction attracted further speculative cheapened attention and touched 322p be 45p with se fore ending a net 2 down at still affected by adverse Press 31Sp. Brown and Jackson, sow-ever, rose 30 for a three-day gain

due in a fortoight. 1CI drifted lower from the out-set and settled 7 cheaper at 388p. while Fisons eased 10 to 290p.

Stores mixed

Despite a late rally of a penny or two following the encouraging provisional April retail sales figures, leading Stores still closed with falls ranging to 12. Gussles A declined that much to 420p and Mothercare dipped 1,231. Marks and Spencer were 8 to 178p, while W. H. Smith A again active with 27g trades, gave up 7 to 185p and Marks and Spencer relinquished 2 to 118p Speculative support was forthcoming for Morris and Blakey Wallpapers, in which A. G. Sianley held a 16 per cent stake, and the Ordinary were slanding 12 bigher at 164p and the A a similar amount up st 134p when dealings in the shares the survey off at 179p. request after-bours pending a speculation remained rife in Hardy (Furnishers) which rose 6 more to 114p, after 116p, with the A N/V a further 5 up at 92p. after 93p. Supported 1929. after 1939. Supported initially up to a 1979 peak of 312p on further consideration of the good results and preposed 50 per cent scrip-issue, Lec Cooper later succumbed to pro6t-taking and closed a net 2 easier at 303p. Among Shoes Fleedlam Sims Among Shoes, Readlam Sims and Coggins advanced 3 to 65p on consideration of the group's

> Comment on the annual resulls brought in support for Fldelity Radio which touched a year's peak of 95p before selling 8 net 5 higher at 94p. shed 4 of the previous day's rise of 6 attributed to satisfactory first half 6 gures, Electricals otherwise were noted for dullness in GEC, down 5 at 433p. but a contrasting trend in EMI, a shade better at 112p. Telephone Rentals unved up 5 to 192p and Ferranti closed 7 dearer at 402o, while Bowthorpe put on 21 to

Secondary issues provided the main interest in Engineerings. Higher profits and the proposed 5-for-4 scrip-issue helped C. and W. Walker put on 5 to 143p, while Midland Industries hardened 2 to 92p following the Interim figures, British Norlbrop added 5 to 61p as did Matthew reaction to the interim profils cootraction and Westland cheapened a fraction more to 45p with sentiment in the latter comment. Redman Heenan softeoed a penny to 75p on the

DEALING DATES

lngs lngs tlon ment May 15 May 29 Ang. 7 Aug. 21

Last Deal- Declara- Settle-

offerings and lack of support of hydraulic control manufac-brought duliness to the leaders: John Brown lost 14 to 581p and Properties gave ground on end-Hawker gave up 6 to 240p. Leading Foods were subjected

but falls were usually restricted to a couple of peoce. Some interest was shown in Northern Foods which touched 138p before settling at 134p for a net gain of 2; the interim results are due on 158p. Bid favourite Avana London Trust had sold its 7.19 attracted buyers and firmed 3 to per cent holding in the company.

Leading Hotels and Caterers Shell erratic weakened on lack of support with Shell's first-quar

Hoover higher

Miscellaneous industrial leaders failed to take the preindustrial vious day's technical improve-ment a stage further, lack of any follow-through support and end-Account influences making for at 156p, lost 6 of Wednesday's rise of 9 which followed news of the American Senate's move to lift sanctions on Rhodesia while Beecham, results due next Thursday, gave up 5 to 690p. Glaxo ended 4 off at 493p, after 190p, the group has reacted strongly to a suggestion made in a leading medical journal that one of its most successful antidrugs, Cepbaloridine. biotic should be withdrawn from the market. Elsewhere, Hoover A opened sbarply higher at 203p following the overnight bld approach to its U.S. parent company before closing 18 better on and far between in idle Textiles, balance at 1989. Speculative although Coats Patons continued buying lifted Myson 4 to 85p, after 86p, while Davies and Newman firmed 8 to 182p in response to the annual report in which was stated that its DanAir fleet is flying at full capacity. Investment demand was forthcoming for E. Fogarty which gained 8 to 335p and Valor, still on an investment recommendation, rose 3 to 74p.

Despite a 30 per cent increase in profits, Dutton-Foreshaw still fell some £0.6m below general market estimates and, after dropping to 47p, the shares settled and prices tended narrowly easier. Components also closed displaying a mixed appearance. Lneas fell to 296p before closing the bullion price. However, in a net 2 to the good at 302p foiling a flurry of late buying. latter brought out modest profit. of 50 to 700p, after 715p, ahead first half results and Bamfords Dowty firmed, a couple of pence

> Holdings, Ultramar, KCA, Westland Aircraft, Burton A. P and O. Cons. Gold, Associated Fisherics, UDT, Charterhall,

R. J. Pulman, Renwick, Cape In-

account selling in the absence of buyers. Still unsettled by the to a hout of small scrappy selling sale of its French subsidiary, Bernard Sunley shed 15 for a three-day fall of 23 to 350p, while Percy Bilton cheapened 10 to 238p. A penny harder in imme date response to the proposed £7.4m rights issue, June 5. In secondary issues, re- Metropolitan finished unchanged newed speculative demand was on balance at 141p. Corn directed towards Cullens issues Exchange, in bid discussions with the Ordinary adding 4 (o with Rothschild Investment Trust, 160p and the A improving 6 to held at 310p following news that

Shell's first-quarter profits were Grand Metropolitan easing 5 to deemed satisfactory, but the 156p and Trust Houses Forte 2 chairman's cautious statement prompted a reaction from 774p to 754p before the price settled at 758p for a net fall of 7. British Petroleum touched 1124p before drifting off to close just 2 up on balance at 112p. Elsewhere, Tricentrol recovered changed at 216p, after 212p, but the new nil paid shares shed 4 10 46p premium, after 44p premium. Rumours of an premium. imminent broker's bearish

cular clipped 2 from Premier to 35p, after 34p. Common Bros. fell 20 to 198p following news that British and Commenwealth's offer worth 200p per share had lapsed. B and C held at 380p. Unsettled by the KCA connection, Furness Withy eased 6 to 290p, while Manchester Liners finished 15 down at 230p following reports that Mr. Frank Narby is about to sell his 37 per

Movements of note were few 10 benefit from the pleasing preliminary results and added 14 for a three-day gain of 64 to 74p. Among easier Tobaccos. Imperial fell 2 to 93 p, while

cent holding in the company to

Bats Deferred gave up 4 at 290p. South African industrials continued to be buoyed by the vote for the lifting of American sanc-tions in Rhodesia. Abercom jumped 11 to 123p, while Tiger Oats, 580p and OK Bazaars, 450p, rose around 30.

Golds up again

After the recent sharp gaios the South African gold sbare for a net loss of 3] at 50p. Other the South African gold sbare Distributors met a little selling market began to look a shade uncertain yesterday. Prices opened on a steady note and moved ahead quietly in line with

taking and share prices dipped Housinger

Deslings marked..... 98,45 94.50 75,62 91,55 91,21 98.25 Equity turnover £m. 14,936 14,906 14,653 15.524 14,611 15,845 Equity bargains total 10 em 537.6. It am 552.8. Noon 520 5. 1 pm 529.5. 2 pm 529.4. 3 pm 529.8. Latest index 01-245 8028. *Ni = 9.35. 8asis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Insure at Cov. 1/7/25. Gold Mines 12/9/55. Ex S premium index started June, 1270. SE Activity July Occ. 1942. † Collected. S.E. ACTIVITY HIGHS AND LOWS Since Compilatin High High / Low 64.64 127.4 49.18 (8:2) (9:1.36) (3:1/75) 150.4 50.53 (28.11.47) 13 1,751 66,03 (13/2) Fixed Int.. 446.1 : 558.6 49.4 (12:2) : (4/5/79) (26.6/40)

Ord. Div. Yield ..

Earnings, Yld. % 'full 14.89

managed minor gains on balance. Bullion was finally 50 cents up at an all-time closing high of \$256.875, after a record \$259. The Gold Mines index rose 1.8 to 177.2 - its sixth consecutive --- while the ex-premium

index put on 0.4 to 144.3. Financials again attracted a goed deal of buying interest, sithough they, too, closed a shade below the day's best levels. General Mining featured with a 45 advance to a 1979 high of 550p, while new highs were also registered by Angla American Corporation, 14 up at 429p, and Amgold, £12 firmer at £201. Anglo-Vasl and Johnnies both

accordingly although they still improved to £13, and ±19 repectively. De Beers were finally 5 better at 447p, after 452p. The decline in the UK equily market dampened enthu-tashi for the London issues. Rio Tinlo-Zine fell 9 to 323p and Gold Fields 4 to 262p, the latter after a high of 26Sp.

. 5.d'y Av'r'go Gilt Edged ! Industrials .. ! Speculativo Totals. . .

May - May 17 16

Hopes that economic sanctions against Rhodesia will be infect prompted further buying of Falcon Mines, 4 to the good at a peak of 224p, and Rhodesian Corporation, a like amount better at 28p.

In Tips, Idris were programen with a further 10 rise to a 1979 high of 95p, following Far Eastern buying.

NEW HIGHS AND LOWS FOR 1979

NEW HIGHS (102) BULLDINGS

BRAPERY & STORES IST ENGINEERING ITO HOTELS (7) INDUSTRIALS (24) MOTORS [1]
PAPER & PRINTING [1]
PROPERTY [1]
SHOES [2]
SOUTH AFRICANS [2)
TRUSTS [16]

NEW LOWS (15) AMERICANS IS: Transamprica Merrell U.S. Steel CANADIANS 111

INDUSTRIALS IS INSURANCE 12) OVERSEAS TRADERS (1) PAPER 11 TEXTILES |1 | Mackington of Scot,

RISES AND FALLS YESTERDAY

British Funds Corpns. Dom. and Foreign Bonds Industrials Financial and Prep. Orls Plantation Mines Others	50 4 235 77 7 4 73 33	3 329 137 11 11 12 59	27 57 548 293 20 21 32
Totals	493	564	1.350

Cape Industries Limited

Transvaal Consolidated Land and Exploration Company Limited (A Barlow Rand Company)



Imperial Cp Imperial CP Imperial CP

JOINT ANNOUNCEMENT



Cape Industries Limited (Cape) and Transvaal Consolidated Land and Exploration Company Limited (TCL) announce that negotiations are taking place which, if successful, will result in Cape's South African asbestos mining companies becoming wholly owned subsidiaries of TCL.

The proposed transaction is subject to approval by the appropriate authorities in the United Kingdom and South Africa. Shareholders of both companies will be advised of developments within the next few weeks.

Cape Industries Limited 114 Park Street London W1Y 4AB

Transvaal Consolidated Land and Exploration Company Limited 63 Fox Street Johannesburg 2001 Sputh Alrica

Concentric, Valor, Corinthian Press.

	740.				
Denomin		Closing	Change	1979	1979
tion	marks	price (p)	on day		low
£1	15	1,112	+ 2	1,238	882
£1	14	3gg	- 7	416	346
	12	758	- 7	304	556
	11	۲3	+ 11	73	55
	10	112	+ 1	144	100
			- 4	74pm	46pm
	9	102		102	80
	9	433	- 5	456	311
	9	156	- 5	180	112
		ST	9	137	S7
	9	323	- 9	362	226
		303	- 2	362	280
		90	2	92	۲1
		35	2	42	14
£1	g	412	- 2	436	346
	tion £1 £1 £1 £25p stile 20p 60p w' Nil/1 tes 25p 50p 10p 25p 25p 51 5p	Denomina- of tion marks 1	Denomination of tion marks Closing price (p)	Denomination Of tion marks price (p) Change price (Denomination Office of the price of the pri

RECENT ISSUES

EQUITIES							
Price Date Date Price Pr	Stock	Olosing Price Pt	+ or	Div. P. or Amount	Times	Yold	P.E.
F.P. 22/6/53 524 F.P. 22/6/4 3 F.P. 16:2-192 11a	ttBakor (John)	5212 334	+ 8 12 14 3	12.0 64.0	=	8.8 11.4 -	

FIXED INTEREST STOCKS

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l		"Ri	GHT	s" offers	
lasue :	: U	11c -	979 Low	Stock	Prices to the state of the stat
20 F 20 F 3612 F 12 N 5 F	P.P. 3.5 P. 16:5 P. 27:4 P. 14:5 In —	2/6 254 1/6 113 8/6 351 - 2/pr	232 92 304 n 8pm	Beatson Clark	249 —1 107 +1 32 2 ₀ pm)
44 F 118 N 20 F 455 N	.P. 24/4 P. 12/4 II	- 80n 15/5 33 - 82pn	ni 6pm] 27½ ni 46pm	Norfolk Cap. Hotels Park Place Inva. Pullman (R. & J.) Singlo Holdings Standard Chartered Bank. Tricentrol	6 pm — 1 88 ½ 51 pm — 1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

May 15 May 29 Ang. 9 Aug. 21 R. J. Pulman, Renwick, Cape In- May 30 Jnn. 11 Ang. 23 Sept 4 dustries. Hoover A. Brilish		and the Fac	cury of Actuaries			
Jnn. 12 Jnn. 25 Sept 6 Sept 18 Land. Edgar Allen (Balfour) For rate indications see end of Share Information Service pleted in William Press while Calls were dealt in Town and double options were arranged in	EQUITY GROUPS	Thurs., Ma	ay 17, 1979	Wed., Tue: May Ma 16 15		Fri., Year May (approx)
Cily, Scottish and Newcastle, Ultramar, P and O and William Concentric, Valor, Corinthian Press.	& SUB-SECTIONS Figures In parentheses show number of stocks per section	Index Day's Ya	Est. Gross Est. arnings Div. PjE ield % Yield % Ratio (ACT Net.) at 33%)	Index Inde No. No.		Index Index No. Inc.
Denomina- of Closing Change 1979 1979 Stock tion marks price (p) on day high low BP f1 15 1,112 + 2 1,238 682 ICI f1 14 3gg -7 416 346 Shell Transport 25p 12 758 -7 804 556 Scot & Newcastle Brewerle6 20p 11 73 + 11 73 55 EMI 60p 10 112 + 1 144 100 Tricentrol New Nil/pd 10 46pm -4 74pm 46pm Allied Brewerles 25p 9 433 -5 456 311 Grand Met 50p 9 156 -5 180 112 Hnwden A.) 10p 9 87 -9 137 87 RTZ 25p 9 323 -9 362 236 BAT Inds 25p 8 303 -2 362 280 P & O Defd £1 8 90 -2 92 71 Premier Cons. 5p g 355 -2 442 14 Tube Invs. £1 g 412 -2 436 346	2 Building Materials (27)	259.24 -0.8 12 427.81 -0.6 12 427.81 -0.6 12 427.82 -0.7 12 412.55 -0.1 12 259.24 -0.2 12 254.24 -0.3 12 256.72 -0.9 14 256.72 -0.9 14 257.22 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 256.72 -0.3 12 257.22 -0.3 12 257.22 -0.3 12 257.22 -0.3 12 259.12 -1.7 16 259.12 -1.7 16	5.16 5.02 8.76 5.48 5.30 8.64 5.48 5.30 7.49 5.75 7.30 6.53 5.68 8.35 7.49 8.86 4.28 9.59 6.76 6.64 6.15 4.20 5.17 9.10 2.83 5.07 9.88 4.36 4.58 10.15 3.85 5.60 9.61 6.77 4.92 7.63 0.50 3.85 12.69 9.18 5.28 7.39 7.25 7.27 7.43 0.56 3.83 12.98 5.28 7.39 7.25 7.27 7.43 0.56 3.83 12.98 7.11	279.12 276.1 261.30 258.4 430.50 426.5 681.35 677.3 413.90 407.3 204.80 203.2 186.47 184.4 254.20 252.5 346.99 344.9 176.04 175.1 130.15 129.1 259.13 255.8 298.04 293.8 331.45 328.6 347.08 336.8 230.80 227.8 485.01 482.1 150.54 149.5 485.01 482.1 150.54 149.5 185.19 183.2	45 258.28 56 425.27 56 49.44 57 496.48 20 203.28 184.09 58 250.51 90 340.42 10 175.02 11 129.24 33 255.97 15 299.67 16 335.22 19 228.10 11.19 483.52 149.89 18 262.15	278.84 214 92 262.48 192 34 331.50 343.90 675.25 451.72 499.99 323.76 108.07 341.98 231.56 176.76 176.53 130.99 126.86 259.27 205.09 294.18 240.45 330.23 262.37 247.43 263.47 230.72 193.48 316.57 201.57 485.26 390.32 180.29 264.84 183.02
RECENT ISSUES EQUITIES	36 Tobaccos (3)	261.12 -15 21 77.32 +0.2 29 227.70 -0.8 14 312.94 -1.3 16 262.58 -0.7 10 140.97 -0.3 14	1.80 7.88 5.27 9.65 8.77 4.67 4.16 5.61 8.81 6.03 6.30 7.30 0.46 4.51 11.71 4.54 5.82 8.68	185.19 183.2 265.11 265.1 77.15 76.7 229.63 227.4 317.03 314.1 264.55 263.0 141.36 142.3 478.56 471.4	1 264.92 2 77 76.23 2 1 226.93 2 7 314.84 3 2 262.86 2 5 143.35 1	181.61 184.56 267.58 261.18 77.79 105.52 229.31 198.68 318.41 275.24 265.36 262.00 145.07 137.14
	49 INDUSTRIAL EROUP(45 51 Oils(6)	262.63 -0.7 14 649.85 -0.4 12 294.44 -0.7 14 206.52 -1.6 - 247.88 -1.5 26 254.49 198.79 -2.9 17	1.98 5.38 8.83 1.41 5.17 8.98 2.14 3.57 8.76 1.04 4.58 8.94 5.06 5.87 4.89 4.81 7.46 7.14 4.66 7.51	270.84 266.87 264.80 261.6 652.32 639.76 296.48 292.87 299.90 208.29 251.60 249.37 254.44 256.27 199.67 198.00	7 254.84 2 8 261.35 2 6 645.03 6 1 292.88 2 9 263.92 2 3 250.19 2 3 255.40 2	472.14 434.54 267.54 208.97 264.37 212.39 657.58 498.07 296.65 236.95 211.22 168.21 250.55 198.04 261.72 199.26 195.17 199.26
FIXED INTEREST STOCKS	66 Insurance (Composite) (8)	140.16 -1.9 - 302.66 -4.0 16	6.62 6.33 8.63	171.45 171.23 142.89 141.06 315.35 316.82	2 170.90 1 6 143.33 1 2 313.47 3	172.00 140.86 146.66 128.17 316.82 351.81
# # # # # # # # # # # # # # # # # # #	69 Property (42)	360.89 -1.3 3. 133.83 -0.6 13. 237.14	3.12 2.26 49.26 9.33 6.96 9.24 4.76 9.24 1.23 5.55 8.53 1.62 6.88 8.97 4.96 —		3 106.48 1 4 362.62 3 7 132.22 1 4 237.33 2 4 139.86 1	108.38 80.82 367.53 230.64 132.81 109.50 240.12 209.00
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 	. FIXED INT	EREST P	RICE IN	DICES	FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.		Thurs., May 17	Wed., May 16	Year ago (approx.)	
	British Government	Thurs., May 17	Day's change %	ad adj. today	ad adj. 1979 to date	1 Low 2 Coupons 3	5 years 15 years 25 years	30.48	9.78 10.53 11.07	8.53 10.88 11.46
2	Under 5 years	196,48 120.77	+0.02 +0.35	-	3.54 3.15	4 Medium 5 Coupons 6	5 years 15 years 25 years	17.76	11.37	10.97 12.08
3		126.17 133.66	+0.47 +0.41	<u> </u>	5.31 6.08	7 High 8 Coopens 9	5 years	11.67	11.95 11.69 12.18	12.27 11.25 12.60
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Yoar age approxi
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52.35 70.47

F.C. FINANCE LTD.

a member of the Co-operative Bank Group

	197g	1977	% increase
Turnover Profits before taxation Earnings per ordinary share Dividends (net) per ordinary share Net tangible assets per ordinary share	£56.5m	£42.6m	32.8
	£1.827m	£1.128m	62.0
	11.0p	8.2p	34.1
	2.2p	2.0p	10.0
	105p	98p	7.1

Provision for delerred taxalion has been made in full. In his statement, Sir Arthur Sugden, the Chairman, said

% Notwithstanding the continuous increase in the cost of money, your company achieved a new record profit in 1978.

* Property sales in excess of £10m at satisfactory prices were completed during the year.

☆ Net advances in credit and leasing increased by more than 25 per cent

* New branch offices were opened in Perth, Portsmouth and Stoke-on-Trent.

F.C. Finance Limited, Stratford House, Station Road, Godalming, Surrey GU7 1HH



Target Tst. Mgrs. (Scotland) (a) (b)

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S. & A. Trust (a) (g)

Private Assets 476

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Group Tat. Fd. 14200 442.11 - 2.21 4.57 Pearl Trust Managers Ltd. (a)(g)(z)

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Mitrray Johnstone U.T. Mgrrt, V Ie)
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Royal Tst. Can. Fd. Mgrs. Ltd. 54, Jeruyn Street, S.W.1. 01-6298252 Capital Fd. 76-2 80 4 323 (Bosme Fd. 80.6 8) 6-97 Prices at May 15. Next dealing May 31. Save & Prosper Groupy 4, Great St. Helens, Landon EC3P 3EP 强地级 68-73 Queen St., Edinburgh ENZ 4NX Dealings to: 01-554 8899 or 031-226 7351 931 -0.11 277 935 -00 275 Increasing Incests Fund High-Yield States High Incests Funds High Return 74.5 Incests 63.21 -0.31 7.28 725, High Holborn, WCLV 7EB. 03-405 8441
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Prodestial Pensions Limited Royal Insurance Group

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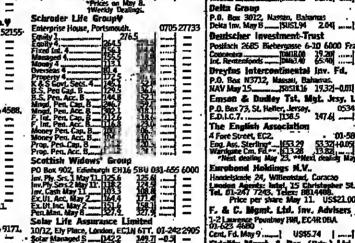
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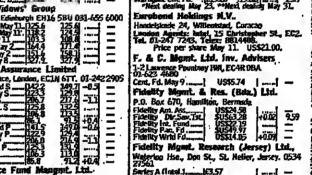
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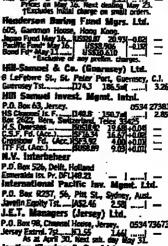
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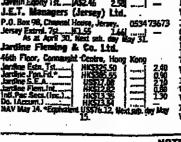
















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for Holland

Financial Times Friday May 18 1979

FOOD, GROCERIES-Cont.



on French plan to curb spot oil price

EEC ENERGY Ministers yesterday considered French pro-posals to control tha Rotterdam spot market for oil where prices

have been rising sharply.

At their Brussels meeting they also clashed with the EEC member countries would fail to cut oil consumption this year by 5 per cent as previously

As prices on the Rotterdam market—which bandles 4 per cent of total crude oil supplies—hit a record \$33 a barrel. France proposed national legislation in the Netherlands and large where there is also a spot Italy, where there is also a spot

The aim would be either to fix ceilings on price quotations or to introduce an official quotation system subject to strict supervision.

Supervision

The early indications were, bowever, that rather than attempting . to control the market Ministers would agree to strengthen their system of reporting, under which member Governments exchange oil market information. The intenthat Rotterdam handled only a small proportion of crude oil and petrologic products and thus limit its tendency to trigger

fresh prices rises.

Mr. David Howell, UK Energy
Secretary, said the French plan
was "unrealistic." While he was very much in favour of the European Community having more information, it was "not a constructive approach to try and operation of a market."

The noexpected French move has had the effect of removing the spotlight from the Energy Council's main topic of examin-ing progress on member fuel saving measures. But it has hecome clear that a majority of Energy Council Ministers now openly disagree with Dr. Guido Brunner, the EEC Energy Commissioner, on his projections for the amount of fuel that member countries will save in 1979.

Dr. Brunner is understood to have been criticised for announcing in advance of yesterday's meeting that the Com-munity would save only 3.5 per cent this year on last year's total oil consumption of 525m tonnes.

Big buying

In reply, it seems, be has In reply, it seems, be has produced figures showing that France will cut oil use by only 24 per cent, and the Netherlands by only 24 per cent. At tha top end of the scale Relgium is likely to 25% enty narrowly short with 4.9 per cent savings, followed by the UK with 4.8 per cent. The remaining EEC members fall into the middle ground with cuts ranging from ground with cuts ranging from 3.4 to 3.6 per cent.

@ Stewart Fleming reports from New York: Under pressure from tightening oil supplies, and under tacit approval of the Carter Administration, major U.S. oil companies are stepping np their purchases of crude oil overseas and in the spot market.

One major U.S. company confirmed yesterday that it had begun to buy crude on the spot market. Its purchases were not substantial so far, but it bad seen signs of beavier purchases by some competitors. Early this year the Carter

Administration was discouraging U.S. oil companies from buy-ing crude oil in the apot market rather than on long-term con-tract. Neither Washington not the oil companies wanted to en-

BY PHILIP RAWSTORNE

be allowed to sell their houses

per cent on the market price.

Non-tenants will he eligible for discounts of up to 30 per cent.

Environment Secretary, told the

A Government Bill later this

Conservatives election

year would implement in full

pledge by giving council and new town tenants a legal right

Mr. Heseltine also gave a

would be seeking further cuts

Soma economies would be made by reducing controls over local capped.

Government activities and by a more effective use of

Commons yesterday.

to buy their homes.

to tenants at discounts of 30-50 of current expenditure.

Government consent for these more privately-rented accomsales would come into force next modation onto the market. The week, Mr. Michael Heseltine, Community Land Act would be

warning that the Government housing that would direct help

in local authority expanditure. ticularly towards housing for Soma economies would be made the elderly and the bandi-

a more effective use of expected to comply with the resources. But talks would new policy on council bouse

EEC talks Israeli Cabinet split over Gaza tactics

BY DAVID LENNON. IN JERUSALEM

resterday on the question of to sovereignty over the West West Bank and Gaza Strip. On the eve of talks with Egypt on the future of these occupied territories, Mr. Ezer Weizman, the Defence Minister, quit the Israeli negotiating team in protest against the position adopted by the Government.

Mr. Menahem Begin, the Prime Minister, won Cabinet approval for his position on the nature of the autonomy régime, although be was forced to accept some moderation of the Israeli position.

An il-member Ministerial

committee met in a long closed ession to finalise Israel's position in advance of the antonomy talks with Egypt, which start formally in Beersbeba in a week's time.

Mr. Begin insisted that Israel would demand in its opening position that it would retain control over public lands, water,

Bank. This bard-line position was contested by both Mr. Weizman, and Mr. Mosba Dayan, the Foreign Minister. Mr. Weizman wanted most of

the major issues left open, so that they could be discussed during the negotiations with Egypt, which are due to be concluded within 12 months. Mr. Dayan also believed that adopting a firm position in advance of the talks would make it more difficult to reach a compromise Mr. Weizman concentrated on the issues affecting national security, and objected to taking a stance which emphasised the ideological religious and importance which some Jews attach to the retention of the West Bank, biblically a part of

the Land of Israel. When the Ministerial committee rejected his approach, Mr. Weizman said he intended

THE ISRAELI Cabinet split security and the eventual claim delegation which had been appointed to negotiate with the Egyptians on the future of the West Bank and the Gaza Strip. Mr. Weizman has Ministerial responsibility for the West Bank under the Israeli occupation. No important public leader on the West Bank has so

far shown any inclination to

join in the talks about the

autonomy regime. Meanwhile, the Foreign Ministry complained that the Egyptians have been reinctant to co-operate on the civilian aspects of the transfer of Israeli city in Sinai, to Egyptian con-

The Foreign Ministry spokes man in Jerusalem declared that Israel was willing to resolve issues such as the futura supply of electricity and water, and the transfer of residents wishing to work in Israel, but Egypt bad failed to give any definita to resign from the five-man response to these matters.

Egypt hits back over treaty by freezing partners' assets

BY RICHARD JOHNS, MIDDLE EAST EDITOR

mounting counter - offensive against the opponents of its treaty with Israal by freezing the assets of its partners in the Arab Organisation for Industrialisation—Saudi Arabia, the United Arab Emirates, and Qatar. This is in direct retaliation

against their decision to dissolve the holding company set up in 1975 to manufacture armaments. As yet the decision to block

funds of the three Arab oil states participating in sanctions against Egypt appears to relate only to money disbursed for the financing of four projects under implementation in Egypt.

It is not known what proportion of their \$1.1m share of the

AOI's capital has been actually spent or placed for this purpose. At issue are the 30 per cent stakes that British Aerospace

Corporation, Rolls-Royce (1971) Ltd. and Westland have in joint ventures undertaking two of the Serious

centres on whether President Anwar Sadat's Government will instruct the Egyptian Central Bank to hold back previously agreed scheduled repayments on deposits placed by Kuwait and the other three Arab oil producers.

The deposits are believed tototal rather more than \$2bn, balf of them belonging to Kuwait The Gulf state is presing for the return of \$1.1bn. No less than \$1bn of Egypt's \$1.4bn total debt servicing and capital repayment llabilities this year Is due to Kuwait.

Freezing funds on this scale would be reminiscent of action taken by Britain to block Egypt's sterling assets of Nasser's nationalisation of the tended for general purposes.

Suez Canal. Tha implications bowever, would be far greater and complicated—not the least for Egypt's creditworthiness.

It is also believed that the Union des Banques Arabes et Françaises (URAF) has virtually decided not to go-ahead with a \$300m syndicated loan to Egypt.

The Egyptian Central Bank has a 6.7 per cent share in the capital of URAF whose chairman Dr. Mohammed Abushadi previously beaded the National Bank of Egypt.

It is understood that two leading U.S. banks were approached to take over the syndication of \$100m of the facility that was ear-marked for the purchase of American civil aircraft under

Price Commission allows gas and electricity rises

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT Commission

acknowledged it no longer bad an effective role to play in price control by allowing domestic gas and electricity prices to rise. At the same time the Govern-ment's attitude to the remaining Price Commission reports was clarified. Mrs. Sally Oppenheim, Minister for Consumer Affairs, decided to take no recommendation that United Biscuits should hold its prices until late September. Its recommendations had been made last month to the Secretary of State
-before the new Conservative

Government decided to abolish the commission—but the report was published only yesterday. The decision to allow gas and

electricity prices to rise was taken, according to the com-mission, because "any further restriction would be inappropriate following the Government's announcement that pre-notification of price increases would cease from next

The commission however, still intends to complete the investigations into the increases United Biscuits report, Page 6

controlled conncils to frustrate

it would be a "flagrant dis-

Lahour spokesman, retorted that the policy could have

serious effects in some areas

and authorities were entitled

to use every means within tha

Two million familles were

still living in seriously unsatis-factory conditions, be said. The

problem should be eliminated in the next decade by providing

Outlining the more generous

discounts that would now be available, Mr. Heseltine urged local authorities to review their

sales policies immediately and

to support the new scheme with substantial mortgages where

them with rented housing.

Mr. Heseltine said a new it would be a first system of short-bold letting regard" of the Government's three years' tenure co would be introduced to bring mandate from the country.

But Mr. Peter Shore, the to the local authority to the local authority to the local authority.

law to resist it.

Continued from Page 1

Economic pressure

reflects the continued impact of the industrial disruptions of the winter, the civil service dispute or a more buoyant than expected level of economic activity.

growth of sterling M3 bas been understated because of a rise in bank credits beld outside the banking system which are not reflected in the official

But the growing sbortage of petrol in the U.S. is now becoming a serious political liability.

A recent favourable influence on the published figures has been the large sales of Cer-

Mr. Heseltine said a new

repealed. Direct labour organisations would be subjected to more effective account-

Efforts would be made to

simplify bousing controls and to speed up planning procedures.

A new subsidy system would

be considered for public sector

where it was most needed, par-

Local authorities would be

ing and greater competition.

tificates of Tax Deposit, an investment for taxpayers, £777m in the last two months and there is a suspicion that this has partly been due to oil companies which may now surrender the certificates to pay However, to some extent the

Petrolenza Revenue Tax bills of around £200m during May. Central Government borrowing was exceptionally large at £1.49bn in the month to mid-may have reflected delays it

Council house discounts may be up to 50%

LOCAL AUTHORITIES are to begin next month with local sales, Mr. Heseltine said necessary. The size of the dis-

labour

Retail sales

Continued from Page 1

thet 18 months from mid-1977 seems to bave continued in the early months of 1979 as increases in earnings stayed well ahead of the rate of infla-

There could also have been some run-down in savings, which were at a very high level in the final quarter of last year. As prices catch up with earn-

ings, however, the rate of improvement in living standards is likely to slow. For this reason the tentative view in some parts of Whitehall is that the rise in retail sales will probably be shortlived. Mr. Richard Weir of the

Retail Consortium, which represents a wide range of store groups, said he expected the tbrough the middle of the year until thet final quarter, when there could be a downturn.

Estimates for consumer spending in the first three months of this year have been raised substantially by the Central Office of Information. The total is £94m, higher than reviously thought, at £16.94bn (1975 prices, seasonally adjusted). This raises total spending above the previous all-time high in the third quarter

of last year.
The main reasons for the revision were underestimates of spending on fuel and lighting

long the buyer had been a coun-

cil tenant. Tenants with up to

three years' tenure could be offered a 30 per cent discount.

A discount of up to 33 per cent could be offered to tenants

of up to four years' atanding with an additional I per cent

for each year of tenancy above

safeguards over resale, said Mr. Heseltine. Tenants who moved

within five years would be required to offer the house back

cil bouses would be eligible for

discounts of 20 per cent or 30 per cent depending upon whether the local anthority's

pre-emplion right to buy back

Non-tenants who bought coun-

The scheme would include

and a late rise in car buying April. Roughly a third of this which was not completely receipts as a result of the civil reflected in the original

loses **First Options**

The joint owners of First Options are Barelays Kol, a subsidiary of Barelays Bank, W. I. Carr, Sons and Com-pany, one of the leading British stockbroking firms in options, and First Options of Chicago, one of the most important creators of the successful Chicago traded options market. The loss of such respected international support is bound to reduce still further the low morale within the European exchange.

Brave face

The exchange administra-tico put a brave face on the news yesterday, saying, "There are still 10 clearing members who can more than adequately continue the EOE's clearing operations. This will bave no infinence on the continued existence of the impact on turnover."

Three other clearing members, the Kas-Associatie, Three other owned by the Dutch Stock Exchange Association, Enrop-tions and Compagnie Euro-peenne de Clearing bave for First Options.

announced yesterday a num-ber of new Belgian members following the decision to list options in three Belgian

Gone downhill'

But Mr. Robert Wilkinson, a partner in W. I. Carr, said yesterday, The EOE has gone downhill rather than uphill. The turnover is below our original expectations and we expect no material improve-ment in the foreseeable fuzzre."

The reasons, in his opinion, were that insufficient managestantial business Dutch options.

First Options intends to end ali activities from June 1, including its floor broking operation. The largest remain-ing UK interest in the exchange will be that of Wedd Smith, the jointly-owned sub-sidiary of two leading London Jobbers.
Mr. Wilkinson commented

yesterday that market makers had to support less overheads. The clearing members need staff, premises, computers and relatively bigh asset requirements because they guarantee deals which they clear.

Weather

UK TODAY SHOWERS in all areas, with

Southern England and Wales, Midlands, Channel Islands Blustery showers. S intervals. Max. 14C (57F). N. Wales, Isle of Man, S.W. and N.W. Scotland, N. Ireland Periods of rain. Cloudy hecoming brighter. Max. 11C (52F).

E. and N. England, Rest of Scotland Mostly cloudy. Showers. Max. 12C (54F). Outlook: Sunny intervals and

showers. Cool. WORLDWIDE



Exchange

By James Bartholomew and Charles Batchelor

THE European Options Exchange in Amsterdam has suffered a major blow with the departure of one of its leading clearing members, First Options of Amsterdam.

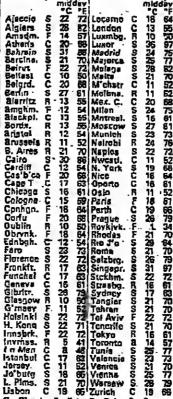
exchange and no direct

offered to take over clearing

exchange

ment expertise had been put into the exchange and difficul-ties had arisen in getting sub-

some sunny intervals in the South.



THE LEX COLUMN

M1 clue to the spending spree

Sterling M3

bas been much underlying improvement from the £399m of the fourth quarter of 1978. Bearing in mind that January-

March received a boost from

sharply higher natural gas sales volumes during the harsh

European winter, while earnings recovered on chemicals, current cost margins on oil trading

appear to bave slipped somewhat But product selling prices should now be catching up, and

depending on the level of stock

D-Mark bonds

to 14 per cent.

Given the recent run disappointing economic statistics the gilt-edged market was rather pleased that the April money supply figures were no worse than expected and prices of long dated stock closed £ better. For what it is worth the figures show that over the last financial year the authorities managed to keep the growth in sterling M3 within tha 8-12 per cent range but overshot the £6bn target for domestic credit expansion by £300m. ...

Howaver, all eyes are now on the current target, and here sterling M3 is bouncing along above the target range and sterling bank lending still seems to be growing roughly twice as fast as it was this time last year. Meanwhile MI bas been growing at an annualised 151 per cent over the last six months which confirms that consumer spending is buoyanta point which received furthar confirmation from yesterday's 3.3 per cent rise in retail sales volume in April.

Royal Dutch/Shell.

Whereas throughout last year the Royal Dutch/Shell group was arguing that its performance was better than its figures suggested, it has moved smartly on to the opposite tack after first quarter figures which reflect just about every distor-tion in the book. Net income for January-March emerges at £618m against hare break-even for the same quarter of 1978 which suffered a huge FAS 8 currency debit of £293m: better comparison is provided by net income of £551m sgainst £293m before currency transla-tion effects. But of this gain of £258m, around £150m represents a swing from stock losses a year ago to profits this time, Moreover there is a £32m

of a balf-share in General Atomic's uranium business to So It is not clear than there

special credit from the disposal

Last year foreign investors took up 80 per cent of all D. Mark foreign bond issues and their enthusiasm pushed down the yield on 10-year bonds to 1 per cent below that for equivalent domestic issues. This year they are less interested in the security of the D. Mark. The yield on foreign bonds has closed up towards the domestic level magnifying the malaise of Index fell 5.5 to 530.7 UK MONEY level, magnifying the malake of this sector of the market

Today a foreign borrower o good standing has to pay 7.35 per cent for ten year D Marin —against 6.5 per cent at the be ginning of the year. It nevertheless seems unlikely that this market will fall much further.

Even if German inflation accelerates this year to 4 per cent; current bond yields still offer an impressive real return of some 4 per cent whereas the U.S. counterpart offers none at

Chemical profits

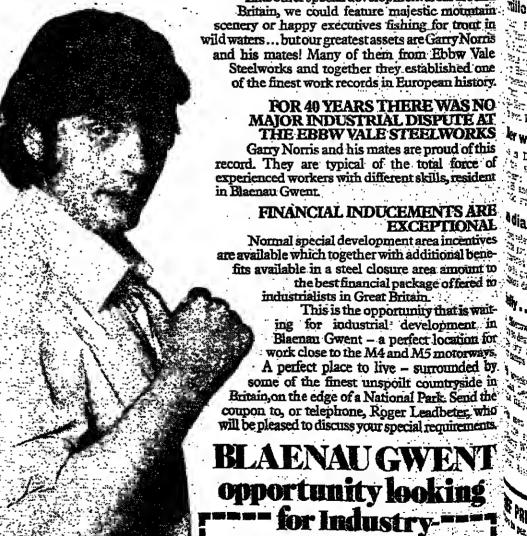
The ICI share price has markedly underperformed the stock market this year and analysts are not expecting much joy from the first quarter figure due next Thursday. The UK road haulage at the and the strength of sterling could have cost the company dearly.

depending on the level of stock profits net income could rise from the depressed £1.086bn of 1978 to something approaching £2bn for 1979. At 758p Shell Transport's shares yield 3.5 per cent, but around double that on a freed dividend. However, ICI's temporary difficulties should not mask the underlying improvement in the European and American chemi-cal industries which is showing through strongly in the current D-Mark bonds crop of corporate earnings.
Yesterday BASF rounded off
The decision of the West the German chemical majors German banks to give the first quarter results season with market in new issues of D-Mark a near 50 per cent jump in denominated foreign bonds a profits. With rising raw material two-week breather is a reminder prices there is no doubt an of the shake-out that has hit the element of stock profits within market since U.S. dollar rethis sharp increase, but BASF covered some stability. Last year reports that capacity ntilisation is up and last week Akzn was the D-Mark accounted for one quarter of the world's external forecasting "significantly better bond issues. The proportion in results" in 1979. ICI ahould be this year's first quarter slumped doing better in the second in

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